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The Nation's Business

The Conservative Keynote
New Star Shines
Black Centre of Debate
Quebec Against King
Progressives Crumble
More Bribery Tried
Premier's Hands Tied

PREMIER MEIGHEN'S "key-note speech" at Ottawa is the measure of the man's advancement politically. It is doubtful if Meighen could have produced, two years ago, or even one year ago, a pronouncement so well attuned to popular understanding; so aggressive in attack; so broad in expression of policy and so logical in exposition, as the one he delivered on Tuesday night.

The Conservative leader left no doubt that the customs scandal issue is going to be flaunted throughout the campaign by Tory speakers. Mr. Meighen's summary of the evidence was an excellent one for consumption by those who found it difficult to follow the tangled skein of evidence at the probe itself. Meighen pinned the blame upon the King administration and asserted that the introduction of the constitutional question was but an attempt on the part of King's followers to avert the consequences of department maladministration.

Mr. Meighen's campaign platform stressed the two important points forecast two weeks ago in this column as the chief planks in the Conservative platform—competent administration and higher tariff. To these he added policies designed to knit the Maritime provinces and Western Canada more closely into union. A notable omission was the lack of reference to or promise of reduced taxation.

* * *

IN BRIEF, the keynote of Meighen's speech, and therefore of the Conservative campaign, may be summarized as follows:

Competent administration: Investigation into customs department to be continued. Department reform to extend to every branch of the service.

Protection: Principle of protection to guide tariff policy but a principle and practice which none can abuse.

Immigration: Practical, vigorous and fruitful immigration policy based on jobs to be created by stable conditions.

Interprovincial trade: Central Canada markets to be assured for Maritime provinces and Western Canada by freight subsidies or other assistance. Steps to be taken to insure larger home use of Canadian coal. Trade through Canadian ports to be encouraged.

Co-operative marketing: Principal of co-operative marketing of farm products endorsed. Farmers will be given encouragement and assistance in solving their selling problems by co-operation.

* * *

MEIGHEN'S reference to the resolution of 1925, which the Conservatives propose to implement if returned to power, recalls an interesting debate in the House of Commons in June, 1925, when the house divided on the tariff issue.

Meighen then introduced a resolution, which did not carry and which may be summarized as follows:

"To meet world conditions to adopt principle of protection;

"To apply protection to natural as well as manufactured products;

"To preserve natural resources for Canada;

"To re-make Imperial preferences so as not to hurt Canadian workers or Canadian ports;

"To appoint a tariff commission to recommend tariff changes;

"By freight subsidies or similar assistance to insure Maritime and Western products' markets in Central Canada."

* * *

A NEW star has appeared on the political horizon. Harry A. Sifton, son of the veteran Sir Clifford, shot across the murky sky this week and was introduced to the Canadian public in a brilliant, well reasoned, though perhaps academic and in some respects inaccurate, address delivered at an obscure nomination meeting in Ontario.

Unheralded and sudden as was his entrance into politics, it was no surprise to those who have observed the rising power of a new group in Canadian politics; the group of which the chiefs are Sir Clifford Sifton, John W. Dafoe, owner and editor respectively of the Manitoba Free Press, and Joseph E. Atkinson, of the Toronto Star, who has a galaxy of small brilliancy at his command.

This group, which might for want of a better name be called the "separatist" group, is Liberal in viewpoint, but is more radical than the Liberal party of Canadian tradition. Its chief plank is the establishment of Canada as an undisputed, self-governing nation. All other policies take second place to this open effort to dim the British connection. Free trade, government ownership and prohibition are apparently secondary policies.

This group has been running the Progressive party. It swung the Progressives to King last fall when King himself was ready to quit after his defeat in the general elections. It

(Continued on page 16)

ANOTHER WELL BROUGHT IN AT TURNER VALLEY

Flowing 250 Barrels Naphtha Every Twenty-four Hours

BIG EXPANSION NOW

Twenty-one Wells Being Sunk and Big Oil Interests of World Are Turning Their Attention to Western Fields

By D. E. CUSHING,
Mining Editor, The Financial Post.

CALGARY.—It has long been contended by geologists and petroleum engineers that another well was necessary to prove that Turner Valley, 42 miles southwest of Calgary, was an oil field. It now has that other well in McLeod No. 2. It came in on Tuesday, the gas flow jumping rapidly from four million to nine million feet every 24 hours. It is a very wet gas, equal in that regard to the first well, Royalite Four of Imperial Oil, but the flow is only about 50 per cent. of that of the Imperial subsidiary.

A conservative estimate of the flow for the new well as it stands at present is 250 barrels of naphtha every 24 hours. The well may yet blow in or drill itself in with great capacity but has not yet done so. An unfortunate feature, as was the case with Royalite, there were lost tools in the well when it came in. It may be possible to fish these out and an attempt may be made. If successful the well may expand at once or it may be possible to drill deeper. The present flow was encountered when the drillers got down 137 feet into the dolomite or oil bearing sands while the first big well in the field was drilled 310 feet into the dolomite. There is a theory that as the McLeod 2 is not as deep into the dolomite its flow may be from a different horizon.

On the other hand, there may be a change in the strata, as Royalite is on the east side of the anticline or fold and McLeod is on the west. The new well incidentally proves that both sides of the fold are productive, so that wells on either side, so long as they are on the structure and drilled deep enough have a chance. It also proves that where drilling is carried to the proper structure, which is now proven over quite an area, success is possible.

I brought away a bottle of the McLeod oil. It is just as clear as crystal. One bottle was filled full and tightly corked. In no time the pressure from expansion cracked it. The gas and oil are very cold, and as is the case at Royalite Four, the pipes are heavily coated with frost.

There are now 21 actual drilling operations going on in this field and several others are preparing. During my trip to this and two other fields, I have met geologists representing four large U.S. oil companies, so that there are indications of big expansion. I was in Wainwright field in time to see the first pumping of Edmonton Wainwright well and a production of 125 barrels of heavy crude is a conservative figure for the well. Emerald well was to have been brought in at that time but there was a miscalculation. The well is not deep enough. A couple of days' more drilling may achieve the desired result. The well is regarded as having an excellent chance. This field also looks big and is attracting many new operators and refiners.

English Electric Reports Increase in Business

A volume of orders booked for 1926, quite considerably ahead of the volume for the same period of 1925, is reported for the English Electric Company of Canada by the president, R. A. Stinson. Mr. Stinson also informs The Financial Post that, in addition, the number and class of inquiries are better than for last year. It is the hope of the company that this condition will continue with increased earnings and corresponding benefits to the shareholders, as the only complaint in the past has been the insufficient volume of business offering.

Larger Demand for Cement is Reflected in Market

From Our Own Correspondent.

MONTREAL.—The fear that the cement war will seriously curtail the profits of the Canada Cement Company appears to have more or less vanished, although it is admitted on all sides that the materially lower cement prices must cut into profits. The improved feeling towards the stock is being reflected in the market price, which is now around 106.

The new contracts for cement, which were recently secured and which were partly responsible for the reopening of the company's Hull, P. Q., plant, will allow "Cement" in a measure to make up in volume what it loses in price. This is one of the factors which has caused the bettered market for the shares.

Canadian Explosives Pays Extra Dividend on Common

Canadian Explosives, Ltd., on July 5 paid an extra dividend of 2 per cent. on the outstanding common stock, par $100, to holders of record June 19.

Big Profits Predicted For B.C. Fishing Co.

Predictions of approximately $1,000,000 profits are being made for the current year for the British Fishing and Packing Company. The merger with the Wallace company is working out very satisfactorily. Such profits it is believed would provide a basis for the capital reconstruction which it is reported is being considered, a feature of which would probably be a split in the common shares, two for one. B. C. common sold around 20 early in 1925 and moved up to over 60 before the end of the year. A high of 76 was made this month.

Gross profits of the company for 1925 were $578,654, and net profits $354,220.

Imperial Oil Sales Indicate a Better State of Industry

Referring to the current business of Imperial Oil, Ltd., and its subsidiary, International Petroleum, an official statement issued to The Financial Post says that a substantial increase in volume in all grades of petroleum products is being shown. The best index that the company has on commercial conditions is the consumption of lubricating oil. While gasoline consumption may represent the dissipation rather than the creation of wealth, the larger volume of lubricating sales may be regarded as indicating an improved condition of general industry. In the case of Imperial Oil, however, a considerable proportion of this increase is attributable to a new lubricant which was introduced to the market this year.

"Bridge" Subsidiary Brings in Revenue

From Our Own Correspondent.

MONTREAL.—The directors of Dominion Engineering Works have declared an initial dividend of $3 on the company's capital stock. The dividend is payable July 31 to shareholders of record July 20.

This subsidiary of the Dominion Bridge Company has been operating at high pressure for a long time past, having secured a large number of contracts. It is understood that the paper companies which have building programmes are most anxious to have Dominion Engineering construct their machines, with the result that there has been considerable business offered which the company has had difficulty in handling.

There is a larger amount of work ahead and in sight, and the results of the present year's operations will be very satisfactory to the shareholders. The inauguration of dividends by this subsidiary naturally will benefit the parent company. Presuming that Bridge owns say 50 per cent. of the subsidiary's stock, this initial dividend declaration means a payment in cash of over $33,000 to the parent company.

Gooderham & Worts Earnings Each Month Understood Equal to Present Annual Dividends

Ten Shares for One Would Permit Larger Public Participation

UNDER NEW CONTROL

Plant Secured by the Present Company After Being Shut Down for Eight Years Following 1916

Following the announced plan of the directors of Gooderham & Worts to split the shares ten ways, there has been renewed buying of the stock on the market and the price has risen to 255 and above. These shares are at present paying a dividend of $6 per share, which reduces the return on the present market price to a little better than 2 per cent. It is obvious, therefore, that the present price is speculative and that it is anticipated that after the split there will be a tendency to bid up the shares with larger public participation. The Financial Post has discussed this phase of the situation with Harry Hatch, the president of the company; Mr. Hatch is inclined to believe that there may be some disappointment for those buying at present levels. The company is making big profits and it is the hope of the directors that eventually the present and even higher prices may be justified in dividends but at the present time earnings are going into plant reconstruction rather than into dividends and this policy it is proposed to continue until practically the whole works has been brought up to a modern basis of efficiency. In this connection attention may be called to the fact that the distillery was closed by the old Gooderham firm in 1916 and was not re-opened until the first of 1924, so that the plant was idle for eight years and required extensive changes and improvements, which have so far been made only in part.

It is learned on good authority that the company's earnings at the present time are running on a basis that one month would take care of the year's dividends. This would mean $120,000 a month, or at the rate of $1,440,000 a year, which is a little better than 70 per cent. Much of this income is being devoted to improving the company's plant and financial position. It is understood that a mortgage of about $500,000 against the plant has been paid off within the past few months.

The present firm of Gooderham & Worts, Ltd., was incorporated at the close of 1923, and took over the plant on the last day of that year. Activities were energetically started and by the middle of February production was under way. Since then facilities have been steadily extended and improved, but it will still be some time before there has accumulated a stock of sufficient age to produce the best in the way of net profits. In the meantime, equipment is being stead-

(Continued on page 9)

Is "Power" Split Only Preliminary Recapitalization?

From Our Own Correspondent.

MONTREAL.—There is food for thought in the new capitalization of the Montreal Light, Heat and Power Consolidated, especially in the fact that the $35,000,000 in new preferred shares is callable at par within 30 days. The very fact that the shares have been made callable indicates that it is the company's intention to call the stock; probably not immediately, but within a few years.

On July 26, the shareholders will be asked to ratify the change in capitalization which will leave Montreal "Power" with 600,000 new common shares of no par value in its treasury. Some of these will be sold to the customers at $50. Presuming that the company sells 100,000 of these new common shares at $50, there are some who believe that the $5,000,000 so obtained might be used to reduce the preferred stock from $35,000,000 to $30,000,000 outstanding and that the remaining $30,000,000 would be called and would be replaced by a new issue of bonds.

Would Reduce Annual Charges

The preferred shares pay 6 per cent. and such financing would reduce the annual charge which "Power" would have to pay on its senior securities; the bonds could probably be sold at par on a 5½ per cent. basis.

Again, there is the thought in the minds of some investors that the company might sell the whole of the new common stock, which it will have in the treasury, thus netting the company $30,000,000 or probably a little more, because the stock will probably change hands on the market at over $55.

As Montreal "Power" has a working capital in excess of $10,000,000 it could then call the preferred shares and the net result of the whole capital shake-up would be that the old shareholders would receive a $50 cash bonus and three new shares paying $6 annually as opposed to their old shares which paid $8 annually.

Of course, all thought along these lines is purely speculative, and while there is no real evidence to support these views, yet the idea persists in the minds of many that the present split-up in the stock is more in the nature of a preliminary measure, rather than the final consummation of the long anticipated capital reconstruction with larger disbursements to the old shareholders.

Menier Arrives Soon to Sign Wayagamack-Anticosti Deal

Two Other Companies in on Negotiations — Indications All Point to Early Consummation of Negotiations — Island is Vast Storehouse of Pulpwood — Details Not Completed Yet — Will be a Liquid Asset

From Our Own Correspondent.

MONTREAL.—Final details of the sale of the island of Anticosti are being worked out, and it is anticipated that an announcement may be made very shortly. In the meantime, Senator Menier, the chocolate king of France and owner of the island, arrives in Canada within a few days; it is said that he will complete the deal.

The Wayagamack Pulp and Paper Company, which owns an option on the property, is having a forest survey made under the supervision of G. C. Piche, chief of the department of lands and forests of the province of Quebec. This will be concluded before the end of this month, and the report of Mr. Piche will, of course, have a definite bearing on the price at which the property will change hands.

All the details of the purchase have not been arranged—this is natural, for the transfer of such a large tract involves the adjustment of many minor details which, while they take time to arrange, yet will have no effect upon the ultimate consumption of the sale. It is likely though that two other companies will be associated with Wayagamack in the deal.

Looks a Good Buy

It might be thought that the purchase of the island might prove an expensive buy for a pulp company operating in the more easterly section of the province of Quebec. The cost of shipping pulpwood up the St. Lawrence river may, or may not, be higher than the cost of simply floating logs down to the mill; but this, naturally, depends on the proximity of the paper mill to its forest reserves. Furthermore, any company which owns Anticosti has assets which are decidedly more liquid than mere holdings of crown leaseholders.

In the latter case, pulpwood may not be exported in an unmanufactured state, but with Anticosti, the property is freehold, and pulpwood could be exported in its raw state to the U. S. where it would have no difficulty in finding a ready market.

The island contains some 20,000,000 cords of pulpwood. This would produce some 16,000,000 tons of newsprint paper—or sufficient to feed the mills of Spanish River for over 60 years; this company has a daily production of 700 tons.

There is little doubt also, that due to the ever increasing rate of depletion of the Canadian forests, that such an asset can not fail to grow more valuable each year, and, therefore, such a purchase looks like good business. There is another angle to the deal also. It seems that a Canadian company in securing the option on Anticosti has "slipped one over" the producers of paper in the U. S. who, in many instances, will eventually be forced to close their mills through the lack of sufficient low cost timber.

Daily Development Here

The purchase when consummated, therefore, means that one of the few remaining large tracts of timber which could have increased the life and of, and competition from, the U. S. mills has been definitely removed from the market. There are few, if any, such large holdings left which, should they pass into the hands of American newsprint companies, would only serve to delay the trek of the industry to this country.

Although Anticosti is freehold, and this in itself makes the island the more valuable, yet the main feature of the purchase of such land lies not in the ability of the owners to export pulpwood, but on the fact that the price paid for the property can only be based on the stumpage rates prevailing elsewhere in this province.

But stumpage rates are increasing and cannot fail to continue to increase on any tracts located in anything like favorable locations. It is this increasing value of pulpwood, and more especially freehold pulpwood, upon which the future value of this property may be based, rather than the mere ability of the owners to export the timber—a right which, in the present instance, will probably never be realized.

Crop Situation is Excellent Over Most of Prairies

By STAFF EDITOR.

CALGARY. — Crop situation over the prairies is excellent and much optimism prevails, especially since the recent rains. The tendency is to revise previous crop estimates upward.

Rainfall has been fairly general and generous, and hail damage has been confined to small areas. In some cases, the straw is short but the wheat is heading out nicely. The country really looks excellent and great prosperity predictions are being made should the crop come through. However, there is no tendency to spend money in advance.

One farmer, with 650 acres of wheat along the old G.T.P. line, near the Alberta-Saskatchewan boundary said he had a wonderful crop but that while the present indications were for a heavy yield, he would not count his chickens before they were hatched. But he was certain he was going to have a wonderful fall, starting from the time the first crop returns come in. I am told that Saskatchewan people have purchased eleven thousand new cars this year.

Amalgamation of the Grain Growers and the Farmers' Union in Saskatchewan is expected by the farmers to spread and to work material benefits. There is a radical wing in Union that may not fall into line and may proceed with a separate movement. It is expected that the amalgamation will mean membership losses to both old organizations but great benefits are expected to accrue.

The rest of the West is laughing slyly at Saskatoon, which is being accused of hero worship in its dining and feteing of Aaron Sapiro, silver-tongued orator and counsellor for most of the farmers' co-operatives on the continent.

GOODYEAR TIRE SHOWING LARGE TRADE INCREASE

Volume for Nine Months Higher by More Than 75 Per Cent.

PRICES STABILIZING

Believed Bottom of Rubber Market Reached — Company in Good Position to Compete

A remarkable improvement in earnings may be anticipated for the next annual report of the Goodyear Tire & Rubber Company of Canada. The Financial Post understands that business for the company's year to date, covering the period from October 1st to June 30th, is better than 75 per cent. higher than for the corresponding period of last year and net profits should be in line with this increase in business.

With the exception of the dealers' business, which has not been up to expectations, trade in all lines has been exceptionally good and, should a good crop materialize in the West, the business of the company should be very large in the next few months. Dealers' business has been somewhat unsatisfactory owing to the late spring which always retards the resale of tires and also partly because consumers and dealers bought beyond their immediate requirements at the time prices were advancing last summer and early fall.

The wide fluctuations in the rubber market have been a handicap for the tire manufacturers but the indications now are that the price of rubber has about reached the bottom. Goodyear, The Post understands, is in a splendid position to meet competition.

Earnings of Goodyear in the 1925 year amounted to $1,462,852, compared with $1,275,377 in 1924, while net profits were $1,049,441 and $837,734 for the two years respectively. Just about half the net profits for 1925 were paid out in preferred dividends on the regular distribution totalling $521,988, while, in addition, $157,500 was paid on arrears of preferred dividends. It has been pointed out that in view of the conditions which have been prevailing in the rubber market the company has been conserving its cash resources rather than making further payments on the arrears of $236,250 still to be paid on the preferred. However, in view of the very favorable business situation referred to above there would now seem to be reason to anticipate that the liability on account of the preferred stock could readily be discharged. The net profits in 1925, if equalled in the current year would be more than sufficient to take care of the year's dividends and the accumulated dividends on the preferred issue.

With continued expansion in the company's business, the completion of the south-east wing of the big plant at New Toronto will be considered in all probability. The sub-structure of this wing was built some years ago, prior to the disruption of the industry as the result of the war. The present facilities, it is understood, are fully taxed by the volume of business now being handled. This despite the fact that as the result of increased efficiency the output per employee has been increased in a remarkable way. The Financial Post understands that in view of past experience a very conservative policy will be followed in regard to any additional plant expansion and that when the southeast wing is completed it will be financed out of surplus earnings rather than by an additional stock issue.

Investor's Index

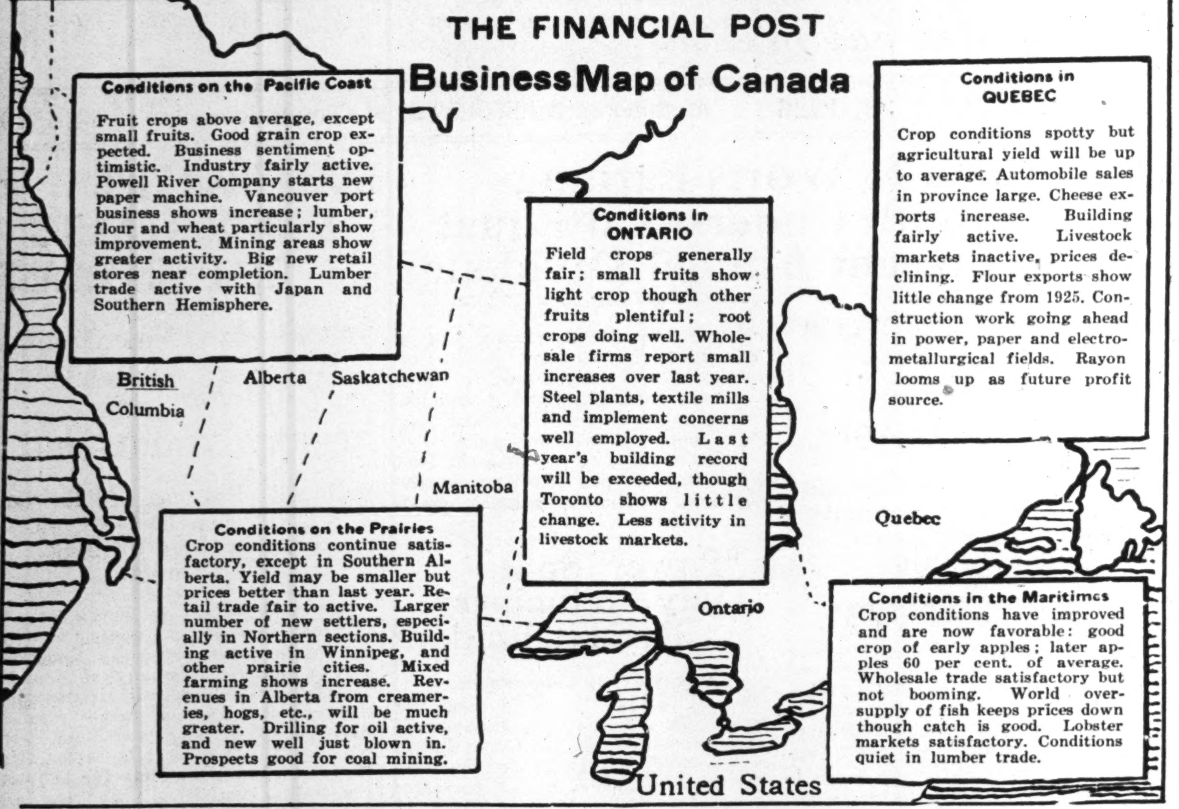
Abitibi Paper 6
Acadia Sugar 11
Anglo-Can. Paper .6
Asbestos Corp'n. ..8
Barcelona Trac. ...7
B. C. Electric 7
B.C. Fishing 1
Bell Telephone 7
Brazilian Trac. ...7
Calgary Power 7
Canada Biscuit ...5
Canada Bread 5
Can. Explosives ...1
Can. Loco. 4
Can. Nor. Power..19
Can. Pacific 9
Can. Western Gas..7
Can. West. Lumb. 4
Chase Company ...4
Christie, Brown 5
City Dairy 5
Connors Bros. 5
Consumers' Gas ...7
Con. Smelters 4
Dom. Alloy Steel...4
Dom. Bridge 1
Dominion Power ..7
Durant of Canada .4
Eng. Electric 1
Gatineau Power ..12
Gooder. & Worts 1
Goodyear Tire 1
Gosse Packing 5
Hudson's Bay Co. .4
Imperial Oil 1
Inter. Nickel 4
Inter. Paper 6
Inter. "Pete"......1
Inter. Power 7
Jamaica Pub. Ser...7
Loblaw Groce. 5
Mattagami 6
Moirs, Ltd. 5
Monterey Railway .7
Nat. Breweries 4
Nat. Cement 8
Nat. Grocers 5
Price Brothers 6
Shawinigan 4
S. Canada Power ..7
Spanish River 6
Ste. Anne Paper...6
Toronto Finance ...9
Wayagamack Pap. .1
Western Grocers ..5
Wolthausen Hat Co. 4

MINES

Associated Goldfields ... .18
Dome Mines 18
Gold Hill 18
Kirk. Lake 18
Kirk. Townsite ...18
Lake Shore 18
Lakeside Lorrain .19
Macassa Mines ...11
McIntyre-Porcupine ... .19
Mining Corp'n. ...18
Noranda ... .19
Porcupine Keora .20
Premier ... .19
Teck-Hughes 18
Tough-Oakes-Burnside 18
Wright-Har. 18

The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.



Conditions on the Pacific Coast

Fruit crops above average, except small fruits. Good grain crop expected. Business sentiment optimistic. Industry fairly active. Powell River Company starts new paper machine. Vancouver port business shows increase; lumber, flour and wheat particularly show improvement. Mining areas show greater activity. Big new retail stores near completion. Lumber trade active with Japan and Southern Hemisphere.

Conditions on the Prairies

Crop conditions continue satisfactory, except in Southern Alberta. Yield may be smaller but prices better than last year. Retail trade fair to active. Larger number of new settlers, especially in Northern sections. Building active in Winnipeg, and other prairie cities. Mixed farming shows increase. Revenues in Alberta from creameries, hogs, etc., will be much greater. Drilling for oil active, and new well just blown in. Prospects good for coal mining.

Conditions in ONTARIO

Field crops generally fair; small fruits show light crop though other fruits plentiful; root crops doing well. Wholesale firms report small increases over last year. Steel plants, textile mills and implement concerns well employed. Last year's building record will be exceeded, though Toronto shows little change. Less activity in livestock markets.

Conditions in QUEBEC

Crop conditions spotty but agricultural yield will be up to average. Automobile sales in province large. Cheese exports increase. Building fairly active. Livestock markets inactive, prices declining. Flour exports show little change from 1925. Construction work going ahead in power, paper and electro-metallurgical fields. Rayon looms up as future profit source.

Conditions in the Maritimes

Crop conditions have improved and are now favorable: good crop of early apples; later apples 60 per cent. of average. Wholesale trade satisfactory but not booming. World over-supply of fish keeps prices down though catch is good. Lobster markets satisfactory. Conditions quiet in lumber trade.

The Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

Government Crop Estimate Considered Low
Farm Purchasing Power Promises to Hold
Iron and Steel Production Holds Up
Instalment Buying in West Arouses Concern

Speculators have been indulging in a merry discussion as a result of the Dominion government's crop estimate of a week ago and the general opinion in grain circles is that the figures are most conservative. Generally, it is felt that the final crop will be much larger than the government estimate. This was the case a year ago when the government's preliminary estimate was 60,000,000 bushels short on the actual wheat crop and short on the other grains as well.

The figures below will show the variation between the preliminary estimate a year ago and the final production. Given as well is the Dominion government's estimate, as made July 10 this year.

	1925		1926
	Estimate made July 10 Bushels	Actual production Bushels	Estimate made July 10 Bushels
Wheat	365,000,000	422,000,000	348,626,000
Oats	468,949,000	521,900,000	458,840,000
Barley	86,105,000	113,118,000	100,624,000
Rye	12,970,000	14,434,000	11,762,000
Flaxseed	10,480,000	9,354,000	8,419,000

Business men are interested in these crop reports for the light they throw upon trade prospects rather than from the standpoint of wheat market speculation. The government estimate, taken in conjunction with more recent reports of weather conditions, etc:. should give an optimistic note of trade. While the field crops of Canada as a whole may have a total value less than in 1925, when a new record for the years since 1920 was set up, they will not show acute change and will maintain farm purchasing power on a level that should still further increase buying.

More Mixed Farming

Reports from bank managers in every part of Canada, studied by The Financial Post, show a fairly healthy volume of trade generally, with good prospects for fall business. These reports are particularly satisfying from Western Canada where the tendency to mixed farming is strengthening in each of the three prairie provinces. One bank manager in Manitoba writes that where he used to cash two or three cream tickets daily, he is now cashing an average of forty daily. "We are gradually reaching the stage," he says, "where the success of farming operations is not dependent upon wheat alone."

Another Manitoba bank manager reports the arrival of a herd of fine Guernsey cattle. A Saskatchewan manager points out that the farmers are not neglecting the dairy end of the business despite the improved wheat outlook.

Crop conditions throughout Canada are fair enough for this uncertain time of year. Field and root crops have improved in Ontario, Quebec and the Maritimes in the past three or four weeks. Ontario's fruit crop is less than normal, though apples are likely to be plentiful. On the prairies, conditions vary, with favorable prospects in most districts, although the dry areas of Southern Alberta are still suffering. Harvesting of rye will be general in a few days.

Iron and steel production declined somewhat in June from May, but is still well above last year's levels. Lumber trade on the east and west coasts is only fair, although demand from the States and from England has declined. Car loadings continue their healthy increase. Merchandise is moving in excellent volume. Farmers of the west are getting the instalment buying habit and this is worrying business leaders, who forsee trouble in case of local or general crop failures.

Large Production and Small Demand Hits N.S. Fisheries

A good catch of fish is reported from Nova Scotia, but prices have been low, preventing the best revenue being obtained from the present season's operations.

While a good demand exists in the West Indies, there is no change to report in regard to the European situation. Practically all markets are being kept over-supplied with heavy consignments from Norway and Iceland. Newfoundland also has been consigning very freely to Oporto. The low prices in Europe should materially increase consumption; otherwise it is difficult to see how the present large world supplies can be taken care of.

The lobster markets at the present time are weak and prices threaten to fall. If the fishery continues during August and September a reduction in values is almost certain to occur.

During the month of June the total fish catch for Nova Scotia was some 2,500,000 pounds greater than that of June, 1925, being approximately 48,258,727 pounds, of landed value of $1,542,600, as compared with 45,708,000 pounds of landed value of $1,245,775.

For the six months of 1926 passed the total catch of all varieties of fish was 107,818,427 pounds, as compared with 104,524,400 pounds for the same half-year of 1925, an increase of over 3,500,000 pounds.

Canadian Business Indicators

	This Year	Last Year
Car loadings—Week to July 7	59,345	51,420
—Year to date	1,544,635	1,376,317
Building permits—June (49 cities)	$ 71,060,835	$ 59,251,588
Railway Earnings—5 months, C.P.R. gross	69,693,817	61,691,172
—5 months, C.P.R. net	11,129,583	6,213,195
—5 months, C.N.R. gross	98,685,109	87,339,081
—5 months, C.N.R. net	12,915,582	4,174,721
Pig Iron production—June tonnage	70,854	45,883
Steel Ingot production—June tonnage	81,277	63,140
Newsprint production—May tonnage	153,969	130,013
Employment—June index (5,907 firms)	1,010	945
Immigration—4 months to May 31	39,442	21,776
Business failures—No. of firms, May	120	160
—Liabilities, May	$ 2,065,385	$ 3,375,485
Exports of Key Commodities—Canned Salmon, May, (lbs.)	1,303,000	2,019,000
—Cheese, May, (lbs.)	3,280,000	3,372,000
—Newsprint, May, (tons)	135,251	115,766
—Wheat Flour, June, (bbls.)	1,029,490	596,001
—Wheat, June, (bus.)	9,918,315	9,354,355
Grain Receipts, August 1 to July 2	$ 390,820,877	$ 251,349,807
Bank Clearings, June	1,463,784,765	1,236,290,649
Savings Deposits, May, (chartered banks)	1,334,842,107	1,259,879,335
Current Loans, May, (chartered banks)	926,508,698	909,091,414
Exports, 12 months to May 31	1,310,446,958	1,072,301,848
Imports, 12 months to May 31	946,257,055	799,700,249
Balance of Trade, 12 months to May 31	364,189,903	272,601,599
Price level, June index, 236 commodities	155.7	158.6
Wheat prices, No. 1 Northern, Winnipeg, (July 19)	$ 1.64	$ 1.64
Cattle prices, good, Toronto, (July 19)	7.25	7.34
Hog prices, select, Toronto, (July 19)	14.50	13.85

Canada Lost 100,000 In 12 Months to U. S.

Canadians taking up residence in the United States in the eleven months to May 31 totaled 84,338, according to U. S. government figures. Newfoundlanders totaled 3,612. These figures include only those classified as immigrants, and the actual total for the year to June 30 was about 100,000 of Canadians taking up residence across the line. The latter estimate is from the Montreal U. S. commissioner of immigration, who reports that immigration from Canada to the United States, excluding the figures of the Seattle district, which handles the Pacific coast ports, totaled 99,796 for the fiscal year just closed. The Seattle district figures are not available at Montreal.

Total immigration from Canada to the United States during the previous year, ending June 30, 1925, including the Seattle district was 109,538.

For the fiscal year ending June 30, 1924, which was the last year before the stricter restrictions came into effect, the total Canadian immigration to the United States was 208,196.

Prior to July 1, 1924, European aliens with five years' residence in Canada were exempt from the quota law. For the last two years residents of Canada must be born in the Dominion to obtain quota exemption.

While actual immigration from Canada to the United States during the last fiscal year was in the 100,000 vicinity, nearly 6,000,00 were questioned by U. S. government officers stationed at the international border ports.

Over 2,500,000 is the estimate given for citizens of the United States returning to their native land, and 2,523,106 covering aliens of the non-statistical class, that is, those entering for temporary stay, and those who claim to have been legally admitted before and are returning from a temporary sojourn in Canada.

Lumber Trade in East Shows Results of Long Coal Strike

Conditions are very quiet in the Maritime Provinces' lumber trade. There are very few cargoes going overseas because of the present difficulty in getting steamers to do this class of trade. As a consequence of the coal strike in England, there is a great demand there for American coal, and steamers are getting high charters on the transportation of this coal to the other side. The effect of this is to put freight rates up so high that it is impossible to sell our lumber in the old country at a profit after paying the carriage charge.

The American market is also dull. The Americans have had such a big building boom during the past few years that many sections are already overbuilt and it is useless to expect much increase in new building there for some time to come. Competition for business in the States is very keen.

The probabilities are that there will not be much change in the situation of the lumber trade until next fall, but if the British coal strike should be settled in the meantime, there will probably be a chance then to dispose of all the lumber available at remunerative rates.

Increasing Prosperity Forecast By Rise in Natural Industries

Indications are for a continued and increasing measure of prosperity in this Dominion, says Matthews & Co., Toronto. For May 1926, gross railway earnings were 23 per cent. greater than the same month a year ago; building contracts awarded were the largest on record, being 67 per cent. greater than May 1925; the number of commercial failures was down 9 per cent. with liabilities lower by 43 per cent; bank clearings, current loans and deposits, both notice and demand are increasing; immigration for March 1926, was 130 per cent. greater than March 1925; the production of newsprint in May was the highest on record. The outlook for a bumper western grain crop at high selling prices is unusually good.

This generally high level of business activity is due in large measure to the sound and prosperous condition of such basic industries as water powers, fisheries, grain and products of the farm and forest.

Coking Industry Shows Steady Production Only

Little growth in coke production is shown by a government report on the industry for 1925. Production of coke in 1925 totaled 1,779,871 tons. Six plants were engaged. Capital investment was $23,905,454. 583 were employed. Selling value of products was $11,193,453.

Of production, 1,110,710 was produced in coke and by-product plants, 625,973 tons in gas plants, and 43,188 tons in petroleum refineries.

Canada Fourth in World in Number of Motor Cars

Revised figures to June 30, 1926, show Canada ranking fourth among the nations of the world in number of automobiles. Canada ranks second to United States and Hawaii in number of persons per automobile.

Leading motor car using nations are:

Country	Total number of automobiles	Persons per automobile
United States	19,954,347	6
United Kingdom	815,957	55
France	735,000	53
Canada	715,962	13
Germany	323,000	193
Australia	291,212	20
Argentina	178,050	55
Italy	114,700	346

With an average of 71 persons for each automobile, there are 24,589,249 motor cars in operation throughout the world; these comprise 20,837,146 passenger cars, 172,617 buses, and 3,463,866 trucks. In addition, there are 1,435,147 motor cycles in the world circulation.

Not only has the United States the greatest number of motor vehicles, but it has a higher ratio of automobiles to population than any other country—one car to every six persons.

Merchandise Shipments Show Increase 1926 Over 1925

Car loadings for the week ended July 10, showed an increase over the previous week's loadings, which were affected by the holiday, of 2,943 cars. Grain showed a seasonal decline of 1,027 cars, and coke, other forest products and ore also showed decreases; all other commodities showed increases.

Compared with the corresponding week last year, total loadings increased 7,925 cars; grain loadings was lighter by 377 cars, coal was heavier by 3,791 cars (coal miners were on strike 1925), merchandise increased 1,482 cars and miscellaneous freight 2,242 cars.

P.A.T.A. Price List Not Ready Till End of August

The new price list to be issued under the auspices of the P. A. T. A.—the newly-formed anti-cutting association for the drug trade—is not expected to make its appearance until towards the end of August. The original intention was to present this list of minimum prices to be charged by the trade early in June, but the different manufacturers' propositions have required such revision and consideration by the board of manufacturers, wholesalers and retailers that its compilation has been considerably delayed. There are now about 162 manufacturers in the P. A. T. A., these having agreed to establish for the trade minimum prices below which their merchandise may not be sold at retail.

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Advertising "
Manufacturing "
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Used Post Survey in Famous Study

Dr. Willard L. Thorp Compiles Record of Prosperity

No economic research work has received greater publicity in Canada in recent years than the report of the National Bureau of Economic Research, New York, on business cycles throughout the world. This report showed that Canada had more years to prosperity for each year of depression than any other nation in the world.

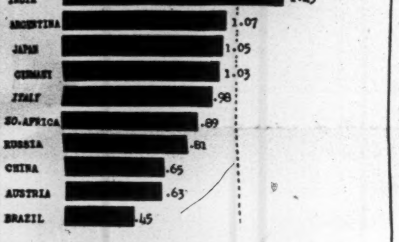
The report was prepared by Dr. Willard C. Thorp, and will be published shortly. Only a summary has as yet been given out.

G. R. Stahl, executive secretary of the National Bureau of Economic Research, informs The Financial Post that Dr. Thorp utilized The Financial Post and The Financial Post Survey in preparing the records of Canadian business which he used. They were "of great assistance," says the doctor.

One of the features of the report is a computation of the average number of years of prosperity that there have been for each year of depression in each of these countries during the period of 30 years or more, from the hard times that came almost everywhere about 1890, up to the latest period of slow business. The results of this compilation are shown in summarized form in the diagram.

They indicate that the United States and Canada have led the nations of the world in the proportion of years of prosperity to years of depression. In the United States there have been almost 1.8 years of prosperous times for each year of hard times during the period from 1890 to 1923. If the study is carried back 135 years to 1790 the proportion becomes 1.5 years of prosperity per year of depression, as compared with 1.11 in England during the same long period.

YEARS OF PROSPERITY PER YEAR OF DEPRESSION



The average for the 17 countries listed in the diagram is 1.14 years of prosperity per year of depression, or eight good years for each seven poor ones, as compared with our own fortunate record of nine good years for each five poor ones, and the sad record of Brazil with more than two depressed years for each prosperous year. The report points out that the criteria used to determine conditions of prosperity and depression in each country can apply only to that one country. There are no international standards in such matters.

Irregular Ad Media Get Jolt From Advertisers

A menace to the appropriations of advertisers, both large and small, which has been recognized for many years, but about which no concerted action has been taken, was dealt with in a resolution passed by the Association of National Advertisers at their Cleveland convention.

In recent months, advertising managers have taken a strong stand against the use of association organs and other irregular media. Individual national advertisers and such groups as the Association of Canadian Advertisers have been making efforts to curtail expenditures on programs and other media of uncontrolled circulation, with indifferent success. The plea of charity or the "big stick" of supply-man membership in an association has been used with almost constant success, despite the fact that the value of this publicity to the advertiser is far from proportionate to the expenditure.

The association went on record as "firmly opposed to advertising in such publications as an economic waste and an unjustifiable charge against the cost of distribution."

New Minimum Wage in B.C. Will Drive Out Orientals

From Our Own Correspondent.

VANCOUVER.—Important economic readjustments will have to be made in the British Columbia lumber industry as a result of the decision of the newly appointed minimum wage board to fix a forty cents-per hour standard in the mills and logging camps.

The new rate, which is to be regarded as the minimum wage, will go into effect November 1 and it will be effective in all logging, shingle and lumber mills, planing mills.

It is expected that the new rate, while not as high as had been requested by employees of the mills, will go a long way towards [illegible]minating the Oriental from the ind[illegible]ry.

THE
ROYAL TRUST Co
EXECUTORS
AND
TRUSTEES

Urban Location Preferred for Manufacturing Plants

Some Industries Find More Advantages in Country But City Chosen Still in Most Sections of Canada

Where shall we locate our new plant—in the city or out? This is the very important problem that is facing many manufacturers to-day. There is an impression that the motor truck has so revolutionized transportation that locating a manufacturing plant is quite a different problem from what it was a decade ago—that even real estate values have been affected by it.

A leading manufacturer stated to The Financial Post that he regretted having built his plant in the centre of Toronto, and that if he were building again he would go to one of the suburban districts where he could get more space. It was his impression that while the price of retail establishments had advanced in the very centre of the city, the price of manufacturing and warehouse sites within a general area of one or two miles of the centre of the city, had declined. On the other hand, another firm who have a plant in one of the suburbs state that they should have acquired property in the city.

Was the first manufacturer right in his premise that the value of manufacturing properties had declined because of the reason suggested? Undoubtedly the real estate in connection with sites for manufacturing plants has been dead for some time in many of the cities. This usually is attributed to the general lack of business expansion — an explanation probably nearer the truth than the one suggested.

Cities Getting New Plants

Probably the best answer to the question is to be found in the actual experience of the cities in this respect. Taking Toronto as an example, a large number of small plants are locating in the urban area all the time, and one or two larger establishments have come in recently. There is no indication of stagnation in realty values in the manufacturing areas. Certain companies have found it necessary to close and sell recently, but investigation shows that the cause in each instance was technical, or due to certain specific factors—neither the general business situation nor the motor truck was to blame. It is undoubted, of course, that depression exists in realty values in certain factory districts.

In certain of the more highly developed industrial countries, there has been a definite movement to de-centralize industry—to locate industries or branches of industries outside the urban centres rather than increasing the congestion of the larger cities and paying high prices for real estate. In sections of the United States this movement has gained some momentum, but it is not yet a factor in the Canadian situation. There is one big factor which must always be considered and that is the labor supply. Where unskilled labor is employed in large numbers, it has been found that settlements can be built up in outlying districts. This is done in connection with many of the pulp and paper, and other Canadian industries. Where technical help is required, it is often found that such cannot be secured and retained to advantage unless the plant is located in or near an urban centre.

Sometimes the argument that a railway siding can be secured better in the country induces a manufacturer to locate outside, and he later finds that a railway siding is not so essential as he had thought, particularly since the advent of the motor truck. In this instance the motor truck has the opposite influence to that already considered.

In actual practice there is often little thought put on the matter of location until pressure for more space makes it necessary to build or buy immediately. There is a general feeling among manufacturers that they prefer to see the building itself rather than the plans. At present there seems to be a feeling that they can secure property to better advantage by taking a building that has already been erected. This more or less eliminates outside districts, since the majority of plants already built are in urban areas. Generally speaking, there seems to be a preference for city sites for manufacturing plants.

One real estate man stated that while manufacturers often talked about getting out in the suburbs where there was plenty of space, they usually sought a central site when the matter came up for final decision.

A number of manufacturers had made the mistake of feeling that they required a railway siding, said this man. They had gone out where they could get it and he had a couple of cases now on his hands where they were very anxious to sell their plant and get back to a more central part of the city. Light manufacturing does not require a railway siding.

He also stated that the majority of manufacturers wanted to buy a ready-built building. Very few of them planned far enough ahead to be able to purchase a lot and erect a suitable building. Most of them suddenly find they need larger quarters and they want to get something immediately. Moreover, there is a general feeling among manufacturers that they prefer to see the building itself rather than plans, and, at the present time there is a general feeling they can buy to much better advantage a building that has already been erected.

Vancouver Reaches Out to Grasp Fur Trade of Pacific Coast

From Our Own Correspondent.

VANCOUVER.—Efforts to make Vancouver the headquarters of the Northwest fur trade are now being made by British Columbia business interests who are averse to having the chief market for pelts from this province as well as Alaska and other sections of north Pacific territory located in Seattle.

The motive behind the present movement is not due to any trade antagonism towards Seattle, but to a belief that economic conditions and geographical location make Vancouver a more suitable place for the headquarters of this industry, which now represents many millions of dollars every year.

Fox Fur Farms Grow

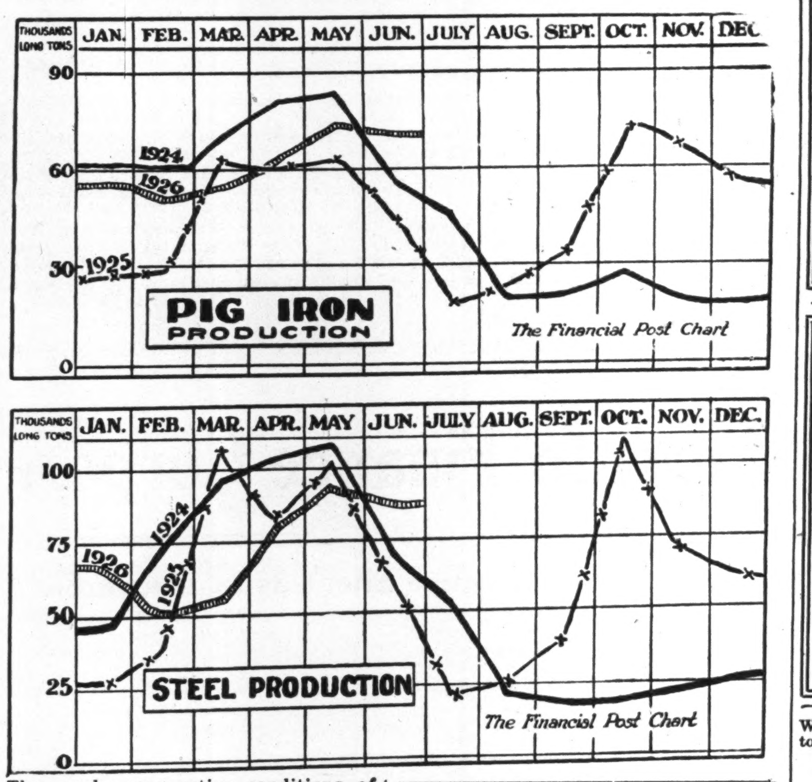
A point in Vancouver's favor is the rapid growth of the fur fox farm industry, which is now flourishing in many sections of the lower British Columbia mainland and on Vancouver Island. Those associated with this branch of the industry expect that before long this province will take precedence over Prince Edward Island in the value of the fox fur production because of the fact that the seasons are earlier here, enabling British Columbia fur farmers to ship their pelts east and have them in the top markets of the world in prime condition some time ahead of all other sources of production. There has been a similar advance in the production of muskrat and other species of fur-bearing animals. The days when the fur industry had to depend on trappers operating their lines in the remote districts of the province are passed, and in a few years it is expected that the bulk of the fur will be produced on the farms rather than in the wild forests.

Now the Coast is Awake

The effort to establish Vancouver as the centre of the Pacific Northwest fur trade is in line with the Dominion's assertion of her right to market her own fur production. For many years it was the custom to dispatch the greater portions of the annual catch to markets in London, New York, St. Louis and other fur centres, the Canadian industry having practically no control over the disposition of its own pelts.

Since 1920 tri-annual fur sales have been held in Montreal, with pelts from the United States, Russia, Siberia and China to swell the Canadian pack for distribution. Buyers have been attracted from the United States, England, France, Germany, Sweden, Russia and Japan. Winnipeg followed Montreal's lead and now British Columbia is exhibiting ambitions in the same direction. With its intimate association with fur trading, going back to the very beginnings of the province, it is just beginning to realize the anomalous position it occupies with the greater part of its production going across the line for sale.

Iron and Steel Industries of Canada Beat 1925 Output



The much more active conditions of Canada's basic iron and steel industries for June continues. June production was somewhat smaller than in May, but well above the 1925 June production.

Pig iron production in June was 70,854 long tons, a decline of 3 per cent. from May. For the first half of the year, pig iron production in Canada was 370,864 tons, which compares with previous years as follows:

	tons
Six months, 1925	290,892
Six months, 1926	370,864

Steel ingot production was also down from May, but well above last year's figures. Production in June was 81,277 tons. For the first half of the year, production of steel ingots and castings totalled 431,184 tons, which compares as follows:

	tons
Six months, 1925	423,697
Six months, 1926	431,184

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TORONTO 2

The Securities Markets

MARKETS HOLDING ON THEIR COURSE TO HIGHER LEVELS

Business Good and Money Easy—Distribution Probably Going on

MARKET INDICATOR
20 Industrial Stocks

	High	Low
Week of July 21	94.5	92.9
Week of July 14	94.6	93.2
Mth. of July, 1925	80.3	73.2
9 Bank Stocks		
Week of July 21	$226	$224
Week of July 14	225	224
Mth. of July, 1925	211	207
10 Public Utilities		
Week of July 21	93	92
Week of July 14	93	92
Mth. of July, 1925	90	87

With continued stability in business conditions and generally satisfactory crop prospects, the stock markets have continued to fight off the usual midsummer dullness and there has been general strength displayed during the past week although stock have been rather inclined to follow their individual courses. Under the influence of some of the New York leaders, which have been advancing to new high prices, the speculative favorites in the Canadian lists have again been taken up and have scored impressive gains. Money continues in free supply and there is no check to speculative operations in this direction. The fact that prices are high does not seem to offer any effective argument for the time being that they will no go higher. It will not be overlooked by more conservative investors, however, that distribution usually takes place during periods of prosperity, leaving the public to face the adjustment which inevitably follows. The following summary indicates the changes by groups on the Canadian exchanges during the week:

	Gains	Losses	Unch.	Ttl.
Banks	..	3	6	9
Paper	4	5	6	15
Steel	6	5	17	28
Foodstuffs	11	8	18	37
Utilities	4	7	15	26
Tractions	2	5	6	13
Textiles	4	1	8	13
Industrials	14	7	27	48
Totals	45	41	103	189

Recessions have been the order in the bank stocks following the general gains recorded last week. Commerce, Imperial and Standard have sold down while the remainder have been unchanged.

In the paper group gains and losses have been about equally divided. Provincial Paper and Howard Smith commons have done better, while Brompton Laurentide and Price Brothers have sold off. Abitibi and Belgo-Canadian preferred have shown gains while Spanish preferred has declined.

In the group of steel industries advances have been in the majority, althought Steel of Canada eased off. Leadership was supplied by Massey-Harris, which was in brisk demand and sold up to above 63; the preferred also went higher. There was a sharp decline in Canadian General Electric preferred. Dominion Bridge did a little better but Canadian Car sold off a point. British Empire Steel shares showed practically no change. Russell Motor preferred strengthened a point. McKinnon Industries preferred and common both sold off a point.

The milling stocks have come into better favor with the investors during the week with prospects of improved business in export markets. Lake of the Woods, Maple Leaf and Ogilvie all made gains and Shredded Wheat also advanced. Other stocks in the foodstuffs group also made a very fair showing. Canada Bread preferred "A," Canadian Canners, Canadian Bakeries, and City Dairy all were moderately higher.

Recessions rather than gains were in order in the utilities group, although Consumers Gas was an outstanding exception, advancing on the successful completion of the new financing program. Laurentide Power, Shawinigan and Southern Canada also went higher, but Montreal Power, sold off. Bell Telephone declined on the news that the hearing of the company's application for increased rates in Ontario and Quebec had been adjourned. In the street railway section, Brazilian was the centre of interest and sold somewhat easier. Montreal Tramways sold off five points. Twin City and Winnipeg Electric changed only fractionally.

The textile group was strong with advances by Canadian Converters, Canadian Cotton, Dominion Textile and Penmans. In the general industrials advances were in the majority. Goodyear Tire preferred went to 125 on further favorable news of the company's current business. American Salesbook gained a point. Gilman Fanfold gained a couple of points. F. N. Burt moved up a point. Sherwin-Williams preferred was stronger. Rogers common sold off, but the preferred gained a fraction. National Breweries made a substantial gain.

Hudson's Bay Co. Makes Deal With Marland Oil

At the annual meeting of the Hudson's Bay Company reference was made by Governor Sale to the fact that negotiations to have an English group develop the company's oil lands had fallen through. Evidently these negotiations were followed by others with American interests, and it is now announced that arrangements have been made with E. W. Marland for exploitation and development of the company's oil lands. A new company will be organized in Canada and immediate steps will be taken to make a complete survey of the areas involved.

International Nickel is Checked in Upward Move

Reports of glowing possibilities for International Nickel after the fashion of Smelters, which were first heard with the year-end bull market, were revived during the recent buying of the shares, but the upward movement was checked at 40 and has been followed by realizing. Earnings, which are showing a constant improvement, are running about $3 a share of $25 par value, so that, in the absence of an immediate likelihood of an advance in the rate of distribution, the existing market level would appear to be about as high as is warranted in the circumstances. The financial position of the company at the moment is sound. Outside of an issue of $2,844,444, 5 per cent. notes, which were created for the purpose of paying for the purchase of the British-American Nickel Company, there are no pressing charges in existence. But the company just now is committed to an expansion program involving an expenditure of $8,000,000 that will in all probability extend over the next two or three years. This will embrace the sinking of at least one new shaft, and probably two, the development and equipment on a modern basis of its various properties, increases to its refineries, and the enlargement of its smelting capacity.

Shawinigan is Building Line to Murray Bay

From Our Own Correspondent

MONTREAL.—Work on the new transmission line connecting the Shawinigan Water and Power system with the Duke-Price power plant is well under way. The new steel tower transmission line runs through the Laurentides Park and will carry the energy at 165,000 volts.

It is understood also that Shawinigan is constructing another high tension line connecting the St. Fereol plant of the Quebec Power Company with Murray Bay and intermediate points. This line will serve some of the pulp plants located in that territory.

The company has just issued an attractive seventy-page book which completely and interestingly reviews the whole history of Shawinigan. It is well illustrated and gives the reader a vivid and comprehensive grasp of the property.

The book concludes with a chart which shows the sources of the total revenues and the percentage of earnings which comes from these sources; they are subdivided as follows:

	Per cent.
Pulp and paper companies	32.4
Montreal "Power"	20.6
Retail distribution companies	17.3
Asbestos Mining	9.6
Aluminum Company	9.4
Miscellaneous manufacturers	5.65
Carbide Company	5.
	99.95

No Compromise in Security Values
DEMAND STERLING REPORTS
CERTIFIED REGISTERED PROFESSIONAL ENGINEERS
Sterling Appraisal Company Limited
9-11 E. Wellington St. Toronto

Textiles

WOOLLEN GOODS IMPORTED WOULD KEEP MILLS BUSY

Canada's Woollen Depression Laid to Unchecked Importations

Analyzing conditions in the woollen industry in Great Britain, the United States and Canada, Major Douglas Hallam, secretary of the Canadian Woollen and Knit Goods Manufacturers Association, says in part:

The wool-using industries in Canada, Great Britain and the United States, are all suffering various degrees of depression, but in each case the cause is different, and the cure, if any, is different. In Canada the cure is in the hands of the people; in the United States it is in the hands of the industry; while in Great Britain no cure is in sight.

Great Britain's wool industry has sufficient machinery to supply her home market and a part of the requirements of the world. But the old boast that "Yorkshire clothes the world" is not true to-day, for all advancing industrial countries are now making their own woollen goods and building up these industries, and excepting China and Canada have raised their tariffs to effect this purpose.

For this reason the export trade of England is declining and a large part of her spindles and looms are idle.

At the same time, owing to depreciated currencies and the even low wage scales paid on the continent, the mills in Great Britain are in the most drastic competition for their home market with the continental mills, have lost a part of it, and are only holding a considerable portion of that remaining to them by either selling at cost or even below cost.

These were the conditions before the coal strike in Great Britain and are independent of any effects which the strike may have.

Comparison of Imports

Conditions in Great Britain have nothing in common with conditions in the United States. Owing to their woollen schedule the mills in the United States have practically the entire home market of 115,000,000 people to supply.

It must be remembered that the size of the industry in the United States is now much greater than in Great Britain, that they have more mills and more machinery, and that practically their entire production is for their home market. During the war, and post-war years, when the home demand was abnormal and export trade was also to be had, the amount of machinery was increased, so that to-day the industry is over-equipped on the basis of to-day's selling.

Before coming to Canada it might be well to note that the industry in Great Britain, a free trade country, is depressed because she is losing her export trade and is suffering sharp price competition in her home market from countries with depreciated currencies and lower wage scales; while the industry in the United States, a highly-protected country, and without foreign competition in their home market, is suffering from a drop of 25 per cent. in consumer demand from the high peak of the post-war years. None of these factors are dominant in the causes of the depression in Canada, except indirectly; Canada does not export woollens, she is not over-equipped with woollen machinery, and, if 80 per cent. of the consumer demand were supplied by the Canadian mills, their machinery would be working day and night and new machinery would have to be installed.

Effect of Depreciated Currencies

The direct cause of the depression in the industry in Canada is that countries with low wage scales or depreciated currencies have been granted by Canada such low rates of duties that the imports from such countries are driving the Canadian industries, paying higher wages, out of business. That this is so is shown by the British government figures of exports of woollen and worsted cloth from the the first three months of 1926. Canada with a population of only 8,500,000 bought 7,449,000 square yards, which was more than any other country in the world, and which was a 19 per cent. increase over the same three months in 1925. Outside of China, which is not protected, every principal country, such as the United States, Australia, Argentine, and Japan, showed a decrease of importations in 1926 over 1925. The depression in Great Britain does affect Canada to this extent, that the mills there, in order to obtain volume of business, are selling in Canada at cost, or less than cost, and are increasing their market here by commercial dumping.

Since the total consumption of woollen goods in Canada is represented by the sum of imported woollen goods and those produced by Canadian mills, and since the imports into Canada of manufactures of wool are sufficient, in addition to those produced by Canadian mills, to keep every mill in Canada working overtime and putting in new machinery, provided the orders were placed in Canada instead of abroad, it will immediately be seen that it is not consumer demand in Canada which has caused the depression, but the unchecked importations from countries where the rates of wages are from one-half to one-quarter of the rates of wages paid in Canada.

A Good Market Demand for the Textile Stocks

The textile stocks have given a satisfactory market performance recently. Business prospects are regarded as good for the fall, particularly if the present crop forecasts hold good. The political situation is one in which it is accepted that any change as the result of the fall election should favor the industry from the standpoint of protection. Canadian Converters, Penmans, Dominion Textile, and other textile leaders, have been showing strength on the market.

Canadian Western Lumber is Paying Sinking Fund Arrears

The report of the Canadian Western Lumber Co. for the year ended 31st December, 1925, shows that the company continues to improve its position. As the result of the year's working, $682,494.95 was provided towards payment of arrears of the sinking fund in respect of the first mortgage debenture stock. For the first three months of the current year there was an increase in lumber sold of 11,820,059 ft., as compared with the previous year. It is difficult, however, according to special statements, to forecast whether the financial results for the current year will be as good as for the past year, because the report indicates that prices realized will be lower and working costs substantially higher.

CHASE COMPANY IS AIDED BY ONE PRICE

First Year Under New Management Understood to be Best in Company's History

Operating under new management and control, the A. W. Chase Co. reports satisfactory results for the fiscal year ended April 30, 1926. The outlook for the fiscal year of 1926-27 is also very encouraging, and able assistance is given the company by the organization of the Proprietary Trade Articles Association, which was formed during the year and has practically the entire drug trade included in its membership.

As this is the first year that an annual statement was published by the company, comparisons are not available, but it is understood the year under review was the biggest in the history of the company. Profits for the year amounted to $96,262, from which was deducted $51,123 for the regular 8 per cent. preference dividend and $8,767 for interest paid in lieu of dividends on partially paid stock subscriptions. After these deductions there remained $36,370, to which was added surplus as at April 30, 1925, bringing the total up to $50,996. After a deduction of $2,246 for income tax applicable to period ended April 30, 1925, there remained total surplus of $48,750. Total assets now stand at $1,304,657.

The consolidated balance sheet discloses current assets of $349,477, against current liabilities of $251,156, leaving net working capital of $98,320. The sum of $150,000 has been paid also by the company for advertising space, but is not included in current assets.

The capitalization of the company is composed of 10,000 shares of 8 per cent. preference cumulative shares of $100 par value, authorized, of which 8,328 shares have been issued. Common stock to the amount of 40,000 shares have been authorized and issued.

Consolidated "Smelters" Report Expected Soon

From Our Own Correspondent.

MONTREAL.—It is said that the net earnings of the Consolidated Mining and Smelting Company during the month of May were at the rate of $20,000,000 annually. This, of course, was a big month, but the lead market in May was near the low point for the year, and since then there has been a sharp adjustment of prices. In fact, all the metal markets have displayed strength of late; this is a factor which will be constructively reflected in the results experienced during the latter part of the year. The company has long been recognized as one of the cheapest producers in the world, and it is learned on good authority that lead production will be increased by about 15 per cent. when the lead smelter addition at Trail, B. C., is completed, about the middle of next month.

The stock has moved decidedly upward of late; probably due to expectations of a very favorable showing in the half year's report of earnings, which will make its appearance soon.

MORE BEER SOLD NOW

MONTREAL.—Shares of the National Breweries have displayed a somewhat unwonted strength of late on the exchange. The more marked investment interest in the stock is traceable to the increased demand for beer during the summer season.

The annual general meeting of the shareholders of the English Electric Company of Canada, Limited, will be held at the Ritz-Carlton Hotel, Montreal, Thursday, July 29, next.

WOLTHAUSEN HAT HAD BETTER YEAR

Nearly $9,000 Net Available as Against 4,000 Shares of No Par Value Common

For the year ended May 31 the gross profits of the Wolthausen Hat Corporation are shown at $173,088, as compared with $171,149 in the preceding twelve months. Net profits, after the deduction of administration and general miscellaneous expenses at $104,105, amounted to $68,982, as compared with $60,042 in the previous year. Comparative statement follows for year ending May 31:

Profit and Loss

	1926	1925
Gross profits	$173,088	$171,149
Expenses	104,105	111,106
Net profits	$ 68,982	$ 60,042
Deprec. and res.	13,424	14,775
Balance	$ 55,558	$ 45,267
Rent earned	915	915
Balance	$ 56,473	$ 46,182
Bond interest	$ 14,000	$ 13,271
Other interest	9,654	9,271
Bond discount	1,500	1,500
Reorganization exp.	580	580
Sinking fund	6,000	6,000
Income tax	1,946	3,018
Surplus	$ 22,791	$ 12,525
Pref. dividend	14,000	....
P. & L. balance	$ 8,791	

Working Capital Position

	1926	1925
Current Assets	$347,740	$325,608
Current liab.	124,858	116,234
	$222,882	$209,373

The company has outstanding: bonds $183,800, preferred stock $200,000 and 4,000 no par common shares.

The surplus of $8,791 represents nearly $2.50 per share on the common stock.

Says Dominion Alloy Sarnia's Second Shipper

A rosy picture of the business of Dominion Alloy Steel Corporation is painted by the Canadian Observer, of Sarnia, which sent a reporter out to look over activities at the plant. The Sarnia paper says in part:

"The Dominion Alloy Steel company to-day is the second largest shipper among Sarnia industries, and its volume of business is maintained by working 24 hours a day 365 days of the year.

"A staff of nearly 50 men is employed on two shifts of 12 hours each a day.

"Its product, galvanized sheets, is finding increasing favor from the Atlantic to the Pacific, and the business done at this recent addition to Sarnia industries amounts to practically $1,000,000 a year.

"At the present time, working to capacity, day and night, the company is in excess of 1,000 tons behind in orders, with new and repeat orders coming in all the time. The company thus has business ahead for two months and more.

"Two carloads are shipped from the plant each day and the company takes equal care of carload orders or smaller tonnage shipments, due to the large stock of both black and galvanized sheets of commercial sizes held in stock. A tonnage of $60,000 worth of black sheets is carried in stock at all times, and the stock of galvanized sheets amounts always to some $40,000. The company receives daily two carloads of black sheets."

The article does not discuss the financial position of the company nor state whether or not the business being done is bringing a profit to the company.

DURANT MOTORS OF CANADA

NEW YORK.—Many of the stockholders of Durant Motors of Canada, Limited, have failed to take advantage of the offer under which they are permitted to exchange their shares into stock of the Durant Motors, Incorporated, the parent company. The offer expires on Aug. 1, 1926.

The exchange offer was made on Aug. 1, 1924. The outstanding capital stock of Durant of Canada at that time consisted of 300,000 shares of $10 par value. The shares were sold in series A, B and C, at $10, $12 and $15 a share, respectively. The exchange basis was three shares of "A," two and one-half of "B," or two shares of "C" for one of the parent company.

INVEST IN A GROWING INDUSTRY
St. Lawrence Paper Mills
Limited
6½%
Ten Year Debentures
Assets securing this issue amount to over $256 for each hundred dollar debenture.
Earnings of the Company before depreciation and Federal taxes are at the rate of 4.6 times debenture interest requirements.
Upon completion of extensions to the Company's plant, now under way, the output of newsprint will be doubled and net earnings available for bond and debenture interest are estimated at $2,000,000 or at the rate of over twelve times debenture interest.
Price 100 and accrued interest
carrying stock purchase warrants
Write for circular Y-21 giving full particulars.
NESBITT, THOMSON and Company, Limited
Royal Bank Building, TORONTO 2
Montreal Quebec Hamilton
London, Ont. Winnipeg

£
Greater Revenue Through Experience
Estates are reasonably sure of increasing revenues if the management is placed in our hands.
May we have the opportunity of explaining this service to you?
THE STERLING TRUSTS CORPORATION
10-12 East King St., TORONTO
Branch:—REGINA

CANADIAN LOCOMOTIVE CHANGES YEAR

At a recent meeting of the directors of Canadian Locomotive Company, it was decided to change the fiscal year of the company to end December 31 each year instead of June 30, as has previously been the system of the company. This is in line with a tendency which has been developing steadily during the past few years, and follows the action of a number of other companies of adjusting their fiscal year to correspond with the official calendar year. In the case of Canadian Locomotive it is stated that no annual report will be issued for the twelve months ended June 30, and the next statement will be issued to cover an eighteen months' period up to December 31, 1926.

Toronto Finance Corporation, Limited

Balance Sheet as at December 31st, 1925

ASSETS

Mortgages and Agreements Receivable:—			
Principal	$436,527.57		
Interest Due and Accrued thereon	11,723.32		
		$448,250.89	
Real Estate Acquired		71,287.17	
Office Furniture, Fixtures and Supplies		3,433.59	
Automobile		1,321.00	
			$524,292.65
Cash on hand and in Bank		$ 414.48	
Sundry Debtors		281.72	
			696.20
Expenses remaining re Incorporation		$ 32,252.40	
Preliminary Expenses		1,402.00	
			33,654.40
Rights, Privileges, etc.			999,830.00
Litigation Advances			6,900.00
			$1,565,373.25

LIABILITIES

Capital Stock:—		
Authorized—100,000 Shares Common Stock at $10 each	$1,000,000.00	
100,000 Shares 8% Cumulative, Preferred Stock at $10 each	1,000,000.00	
	$2,000,000.00	
Subscribed—Common Stock Issued and fully paid		$1,000,000.00
Cumulative Preferred, Subscribed	$ 572,790.00	
Less—Unpaid thereon	122,665.89	
		450,124.11
Mortgages Payable:—		
Principal	$ 34,800.00	
Interest accrued thereon	683.25	
		35,483.25
Sundry Creditors	$ 830.72	
Dividend No. 17 Payable in January, 1926	$ 17,253.20	
		18,083.92
Reserve for 1925 Income Tax		2,293.34
Reserves for Depreciation:—		
Office Furniture and Fixtures		891.29
Automobile		330.25
Real Estate Acquired		1,434.06
Surplus and Deferred Profits:—		
Deferred Profits on Mortgages and Agreements Receivable	$ 46,270.74	
Reserve Account	10,000.00	
Profit and Loss Surplus Account as at 31st December, 1925	462.29	
		56,733.03
		$1,565,373.25

We have audited the books and accounts of the Toronto Finance Corporation, Limited, for the year ended 31st December, 1925, and hereby certify that all our requirements as auditors have been complied with, and, subject to our Report to the Directors, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Corporation's financial position according to the best of our information, the explanations given to us, and as shown by the books of the Corporation as at 31st December, 1925.

Hamilton, Ontario,
15th July, 1926.

(Sgd.) METHERELL, WHITE & CO.,
Chartered Accountants,
Auditors.

Food Products

GOSSE PACKING ANTICIPATES AN EXCELLENT YEAR

Salmon Run is Bigger Than in 1925 — Oil Business Promising

From Our Own Correspondent.

MONTREAL.—The outlook for the present year's operations of the Gosse Packing Company is promising. The salmon run commenced about the beginning of the month and, in the first week of salmon fishing the company found the run to be about 20 per cent. larger than at the same period in 1925. Furthermore, a large portion of the increase is sockeye—a salmon of the highest grade which brings, also, a larger percentage of profit.

The outlook for all salmon packers has improved this year; the present expectations are that the entire pack will be sold by next autumn, the end of the salmon packing season—a condition which has not prevailed for many years.

Some of the contributing factors to the enlarged demand include the Australian treaty which has had a material effect on the industry as a whole. Again, the European demand has strengthened, and while business from Britain was, in a measure, delayed due to the strike, of late orders have revived and are coming in in good quantities.

Four Months' Season Only

Although the salmon fishing season extends only from July until the autumn, yet the Gosse Packing has increased the length of its season by entering the pilchard fishing, canning and oil producing business. This increases the length of the season from around four to about seven months.

This year the run of pilchard is largely in excess of 1925 and the Gosse Packing anticipate producing at least 1,000,000 gallons of fish oil. This should be reflected in earnings at the close of the fiscal year, for last year only one experimental oil producing machine was operated. This machine, it is understood, cost in the neighborhood of $40,000 and earned in the one year some 50 per cent. on the investment. This year the company will operate 6 machines manufacturing oil from pilchard. Amongst others, this commodity is sold to the manufacturers of paint and allied products and while some of the fishing companies on the B.C. coast are not equipped to produce this oil, many are gradually installing the necessary machinery as earnings from this source decidedly more than warrant the capital expenditure involved.

To Reduce Overhead

The output of oil will also have its effect on earnings through the reduction in overhead which will be realized through extension of the present season of active operations.

The business of the Gosse Packing Company consists entirely in the production, manufacture and sale of canned salmon, pilchard and herring. Fish oil, fish meal and salt salmon and herring are forming also a part of the output. During the present season, the company will operate ten plants which will receive their raw material from an adequate fleet of fishing vessels. The year 1925 marked the inauguration of the fish meal and fish oil business and the increased capacity in these departmnets for the present season has been accomplished with but a small capital outlay.

Two new directors have recently been added to the board. They are: H. B. Griffith, of Newman, Sweezy & Company, and W. E. Young, of McLeod, Young, Weir & Company.

Christie, Brown Reports Larger Surplus for Quarter

Christie, Brown and Co. reports gross profit for six months ended June 30, 1926, of $344,612, and net operating profit of $119,419. Gross for the past three months ended June 30 was $183,135, as against a net operating profit for the same period of $68,632. After income tax reserve, interest and common and preference stock dividend, surplus for the six months' period was $32,659, as compared with a $12,726 surplus for the three months.

The company recently redeemed $100,000 first mortgage 6 per cent. bonds. $700,000 are now outstanding, of which, it is expected, $50,000 will be retired by Jan. 1, 1917, and the entire amount by the close of 1927.

Moir's of Halifax Attempt Conquest of U.S. Market

Moirs, Limited, of Halifax, makers of chocolates, are having a fling at the American market. They have an exhibit at the Philadelphia Sesqui-Centennial, and have appointed a representative in the States.

C. V. Monoghan, managing director of the firm, recently paid a visit to Philadelphia in connection with this effort, and after his return told about what they were doing there.

"We had been asked many times," said Mr. Monoghan, "where our chocolates could be had in the United States, and on various occasions houses in different parts of the country had asked us for the American agency. This, no doubt, was in part due to visitors making an acquaintance with our goods while here, and in part, too, as a consequence of people here sending our confectionery to friends in the States as a present. However, whatever the reason, we always felt that any step in the way of giving agencies might interfere with any broader schemes we might undertake, so we held back until we could determine our line of policy. Finally we decided, because of these enquiries, to open up in the American market, and, consequently, appointed a traveling representative with headquarters in Philadelphia. His business is to introduce our goods to the American market, and, in order to give him a good send off, we decided to have a booth at the big exhibition, where our goods would be sold as well as exhibited."

Mr. Monoghan says that the firm's export trade to South America is growing steadily. That market is peculiar in that the demand for confectionery is concentrated very largely in the fall of the year, when the people buy for Christmas very generously. However, Moirs' prospects of getting supplies into the hands of retail dealers there in large volume have been very encouraging.

GROCER JOBBERS ARE SUBJECT OF OTTAWA INQUIRY

National Grocers Mentioned in Anti-combine Inquiry Rumors

OTTAWA.—A preliminary enquiry into the scope and activities of the National Grocers Co. and other jobbers is being conducted, according to a declaration made to Canadian Grocer by E. A. McGregor, of Ottawa, registrar under the Combines Investigation Act.

An examination into the operations of National Grocers Co. and others has been pursued both in Toronto and Ottawa during the past couple of weeks by Mr. McGregor following receipt by the attorney-general of Canada of applications from a Toronto source for an investigation of National Grocers Co. The complaints were made on the basis that this firm and others were allegedly a combine operating in restraint of trade.

Registrar McGregor pointed out that his enquiry had not reached a definite stage, nor was he in a position to recommend to the Canadian minister of labor that a Royal Commission be appointed to proceed with a full investigation under the Combines Act. Mr. McGregor explained that, if his preliminary enquiry as registrar revealed facts which apparently justified a complete investigation, it was then his duty to make a formal report to the minister of labor. The latter would then appoint a commissioner to take charge of the investigation, or, as an alternative, he could designate the registrar himself to conduct the official investigation, allowing enquiries in other trades to stand for the time being. Mr. McGregor had not yet established all possible evidence and he could not say when he could make a report to the minister of labor if any.

Desk-jobbers who have been cut from lists of several manufacturers have been getting strong support from a large number of independent grocers, according to Canadian Grocer. Direct by mail pleas containing a threat have been sent to these manufacturers urging them to consider carefully the entire problem and to help the independent man who has joined no group or chain, by including desk jobbers in the lists of recognized distributors.

Accompanying the letter was a

(Continued on page 8)

City Dairy Expected to Show Larger Earnings

The strength of City Dairy common on the stock exchange, when on active trading it advanced to 76½, calls renewed attention to the strong position in which this company is now entrenched. The fiscal year ends with December 31, so that it is now scarcely more than half through the period covered by the report. The enquiry for the stock at this juncture, therefore, is likely more the result of one of those recurrent demands on the part of speculators rather than to any inherent improvement in the position of the concern from a business standpoint. It is gratifying to note, however, that even in this latter respect, good progress is being made. While, owing to the cool weather which prevailed throughout most of the summer, the ice cream business has not been quite up to its usual high level, the distribution of milk, in the face of increasing and keen competition, is proceeding on an extended scale, and this has served to maintain earnings at about the level prevailing during the last fiscal period.

New Packing Plant at St. John Gets Stock Sale Permission

The British Canadian Packing Co., Ltd., which has about completed erecting a plan at St. John, has received from the provincial board of public utilities a renewal of their license under the N. B. blue-sky law, to sell securities in the province, but commissions for the sale of stock have been limited to 15 per cent. This action followed an audit of the company's affairs ordered recently by the utilities board, which disclosed the following details: Fixed assets, machinery and buildings, $81,019.86. Balance sheet showed liabilities of $121,017.78, including $102,518.78 cash received from sale of stock; $5,400 loan from bank; other accounts payable, $13,049. Building and equipment are valued at $81,019.96.

UNLISTED SECURITIES

	Bid	Asked
Can. Machinery, com.	5	.
Can. Westinghouse, com.	164¾	167
Cosgrave Brewery	3	4
Dom. Power, pref.	97	99
Farmers Dairy, com.	48	..
Farmers Dairy, pref.	95	102
Dunlop Tire, pref.	71	75
B. Greening Wire, pref.	94	96
Copeland Flour, com.	2	4
Gunns, Ltd., pref	27	30
King Edward Hotel, Deb. A.	79	81
King Edward Hotel, Deb. B.	59	61
Loew's Toronto, pref.	85	87
Loew's London, com.	2⅞	3⅜
Pure Food, com.	31	33
Mount Royal Hotel, pref.	38	40
Willard's pref.	69	72
Capital Life 25% paid	23	26
Continental Life 20% Paid	36	..
Crown Life	122	..
Empire Life	22	..
Excelsior Life 25% Paid	51	..
Great West Life	360	..
Imperial Life	260	..
Monarch Life 10% Paid	21	..
Mortgage Discount, pref.	7	7½
Ontario Equitable	22	25
Re-Insurance	22	25
Security Life, 40% Paid	30	34
Sherbrooke Trust	105	..
Sovereign Life, 25% Paid	27	29
Toronto Finance, pref.	5	6
Trusts & Guarantee	74	77

Loblaw Common at 30 On Toronto Stock Exchange

Applications have been made and accepted for the listing of shares of Loblaw Groceterias Co., on the Toronto Stock Exchange. The listing consists of 158,400 shares of common stock at no par value, and 6,193 shares of prior preferred of $100 par. This makes the third grocery chain store stock on the Toronto Exchange. Dominion Stores was the first and it made a very large profit for those who purchased early. The allotment of rights was a most attractive feature for the common shareholders. Arnold Brothers common was a more recent addition to the chain-store list.

Sales of the common shares have been at 30, while the preferred is quoted 101 bid.

Canada Bread Expected to Report a Record Year

The fiscal year of the Canada Bread Co. ended on June 30, and, while it is a little early yet to arrive at an estimate of the company's profits for the year, the general opinion is that the period is the best in the history of the organization.

The period just ended is the first in which the company has operated under its new capital structure. The reorganization involved the dividing of the old common stock into a $100 share of 7 per cent. preference stock and a share of no-par value common stock. Earnings for the year ended June 30, 1925, were equal to 15.68 per cent. on the old common and $8.68 a share on the new common. No dividends have been paid on the latter stock as yet, but it is expected that the initial distribution will be made before the end of the current year.

CONNORS' BROTHERS

Connors Bros., at Black's Harbor, N. B., are operating their sardine canning plant at full capacity, employing some 200 people on practically full time.

DIRECTORS GOSSE PACKING CO.

H. B. Griffith, of Newman, Sweezey & Co., of Montreal, and W. E. Young, of McLeod, Young, Weir & Co., Toronto, have been elected directors of the Gosse Packing Co., of Vancouver.

CANADA BISCUIT TO INCREASE CAPACITY

Executive Heads Pay Inspection Visit to Company's Plants Across Canada

A party of officials of the Canada Biscuit Co., of which Frank McCormick of London, is president, returned recently from a visit to their various plants in Moncton, Montreal, Winnipeg, Edmonton and London. The London plant which was formerly the McCormick Mfg. Co., will retain the manufacturing and sales organization. It is the intention of the officials to extend the business of this plant and to strengthen the organization by increased support from the other four divisions of the company. The Canada Biscuit Co. has vice-presidents and directors at each of the other points, who were formerly heads of the five consolidating companies. These men are in full charge of their respective divisions and in touch with local conditions.

It is stated that the various plants, which employ more than 2,000 persons and have an annual payroll of more than $3,500,000 will work at increased capacity from now on. The assets of the amalgamated companies amount to about $7,500,000. The officers and directors of the company are: Frank A. McCormick, president and managing director; C. C. Wardope, Harvey Shaw, J. A. Marven, John Farquharson, vice-presidents; D. C. McNaughton, secretary-treasurer; W. J. Trower, director.

The party expressed satisfaction with the general business conditions throughout Canada and with the evidences of increasing prosperity from coast to coast. In addition to Mr. McCormick, the party consisted of Mr. Trower, who is vice-president of the Montreal Securities Co. and Dwight Farnham, Manager of the Industrial Department of Peat, Marwick, Mitchel & Co.

WESTERN GROCERS

W. P. Riley, president and managing director of Western Grocers, Ltd., says that the reason why the old preferred and common shares of the company are still being traded in on the stock exchange is that a proportion of these shares continue to be outstanding. There are still above 1,400 shares of the old preferred that have not been exchanged.

Stock Market Record

WEEK ENDING JULY 20

	Div. Rate	Yield July 19	High for wk.	Low for wk.	Close July 20	Close July 13	Sales for wk.	Range, 1926 High	Range, 1926 Low
Banks—									
Commerce	12+1	5.82	223	222	222	223	88	226	214
Dominion	12+1	6.13	212	211½	212	212	57	219	210
Can. Nationale	10	6.36	...	...	...	...	...	170	157
Imperial	12+1	6.37	205¾	201¼	203	206	114	215½	200
Montreal	12+2	5.16	271¾	270	271	271	56	271¾	251½
Nova Scotia	16	5.38	297½	294	295	295	72	300	281
Royal	12+2	5.60	252	250	250¼	250¼	45	255⅛	248
Standard	12	6.18	194	192	192	195	38	200	190
Toronto	12	5.47	219	218	219	219	61	222	213
Paper—									
Abitibi, com. (no par)	4	5.36	75½	74½	75	75	1050	85½	70¼
Do. pref.	7	6.42	109	109	109	106¾	175	116	106¾
Belgo-Can. com.	6	6.00	..	...	...	...	...	100	100
Do. pref.	7	7.05	99¼	99	99¼	98½	115	101	95¾
Brompton (no par)	.	...	30	28½	28½	30	562	35¼	26
Laurentide	6	6.70	89½	88½	88½	90	798	93½	81½
Price Bros. com.	2	2.90	68¾	68	68½	67	100	72	57
Do. pref.	6½	6.50	100	100	100	100	37	100	95
Prov. Paper com.	6+1	6.76	103½	102	103	102½	58	104	100
Do. pref.	7	6.78	..	...	...	...	...	104½	100
Smith, Howard, com.	.	...	49	49	49	50	5	54½	38
Do. pref.	8	8.24	97	97	97	97	57	101	92¾
Span. River, com.	7	7.00	100	99½	100	101½	445	102	96½
Do. pref.	7	6.20	113½	112¾	112¾	114	105	119	108
Wayagamack	.	...	69½	69½	69½	69½	71	83	56
Steel and Steel Industries—									
B.E. Steel, com.	.	...	½	½	½	½	70	3½	¼
Do. 1st pref.	.	...	9⅝	9½	9½	9½	70	30	9
Do. 2nd pref.	.	...	1½	1½	1½	1½	180	10¾	1
Can. Car. & Found., com.	.	...	40	40	40	41	315	49	33
Do. pref.	7	8.43	83	82	83	83	275	85¾	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
C. G. E., com. (par $50)	.	...	..	...	...	...	...	51	47
Do. pref. (par $50)	7	7.29	55¾	48	48	55	41	60	48
Can. Locomotive, com.	.	...	..	...	...	...	...	42	35
Do. pref.	7	8.48	..	...	...	...	...	89½	73
Canada Iron, com.	.	...	..	...	...	...	...	10	9
Do. pref.	.	...	..	...	...	...	...	42	39
Can. Forgings, pref.	.	...	..	...	...	...	...	50	41½
Dominion Coal	.	...	..	...	...	...	...	52	40
Dominion Iron, pref.	.	...	..	...	...	...	...	24¾	5
Dominion Bridge	4	3.90	102½	101	101½	101	591	102½	86
Dom. Radiaitor, pref.	7	6.93	..	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	18	16½	16½	16½	175	25	10⅝
Ford Motor	10	...	..	...	...	...	...	622	500
Massey-Harris, com.	.	...	63½	58	62½	59½	1343	63½	40
Do. pref.	7	7.36	95	94½	95	94½	423	97	93
N. S. Steel, pref.	.	...	..	...	...	...	...	25	25
Ontario Steel, com.	4	5.40	74	73	74	73½	150	76	60
Do. pref.	7	7.00	..	...	...	...	...	102	98
Russell Motor, com.	3	7.50	40	40	40	40	14	42	39
Do. pref.	7	7.77	90	90	90	89	5	90	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	13	5
Steel of Canada, com.	7	6.73	104	102¼	102¼	103	594	106½	95⅛
Do. pref.	7	5.93	118	118	118	116½	51	118½	114
McKin. Ind. com. (no par)	.	...	22	22	22	23	10	26½	15
Do. pref.	7	8.04	87	87	87	88	20	92	87
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	23	22	22⅞	23	130	26⅝	18
Do. pref.	7	7.77	90½	90	90½	90½	5	92	89½
Atlantic Sugar, com.	.	...	24½	24	24¼	24½	110	33⅞	21½
Do. pref.	.	...	80	80	80	82½	10	88	75
B. C. Fishing	5	6.80	74½	73	73¼	73½	790	76	57¼
Can. Bread, c. (no par)	.	...	76¾	76¾	76¾	76¾	10	78	53
Do. pref. (A)	7	6.42	110	109	110	108	14	110	105
Do. pref. (B)	7	7.07	99	98¾	99	99	78	100	96¼
Can. Canners, com.	.	...	13	12½	13	12¾	44	15	12
Do. pref.	4	6.06	66	65	65⅛	65½	611	67¾	60
Canadian Salt	8	5.92	..	...	...	...	...	145	129
Christie Bis. c. (no par)	30c.	...	..	...	...	...	...	63½	44¼
Can. Bak. com. (no par)	.	...	33½	32½	33½	31⅞	70	37¾	26½
Do. pref.	7	7.46	93¾	93¼	93¾	94¼	40	98½	92⅛
City Dairy, c. (par $25)	12	4.16	72	71	71½	71	100	81	67
Do. pref.	7	6.48	110	108	110	107	16	112	107
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	5	3
Do. pref.	.	...	..	...	...	...	...	28	21½
Dom. St., com. (no par)	60c.	....	64¾	63½	63¾	64½	130	68	56
Wm. Davies (A) (no par)	.	...	30¾	30¼	30¾	30¼	470	37½	29
Inter. Milling, pref.	7	7.00	100	100	100	100	30	105¼	99
Lake of Woods, com.	12	8.39	143	140	143	142	21	175	139
Do. pref.	7	6.03	..	...	...	...	...	118	115
Loblaw, com.	.	...	30	30	30	...	175	30	30
Do. pref.	.	...	102	102	102	...	10	102	102
Maple Leaf Mill., com.	.	...	68	59	62½	58	441	88	50⅛
Do. pref.	7	7.36	95	95	95	95	5	102	92
Ogilvie Flour, com.	5	2.71	184	814	184	182	165	200	165½
Do. pref.	7	5.83	120	117	117	118½	43	125	117
Pure Gold Mfg. (no par)	50c	...	..	...	...	...	...	23½	18
Sh. Wh. new, c. (no par)	75c.	6.12	51	49¾	50	49	399	51¼	47½
St. Law. Flour, com.	.	...	40	40	40	40	45	45	28
Do. pref.	7	...	..	...	...	...	...	84	82
Viau Bis., com.	.	...	28	28	28	28	52	28	18
Do. pref.	7	7.95	88	87¾	88	87½	88	89	85
West. Groc., com. (new)	.	...	25	25	25	25	15	27	25
Do. pref. (new)	7	...	70	70	70	70	15	70	62
Utilities—									
Bell Telephone	8	5.79	138⅝	137½	138	139	395	141	136
Consumers Gas	10	5.78	173½	170½	173½	171	401	183⅞	170
Cons. Gas (rights)	.	...	..	...	...	...	...	4.85	3.90
Inter. Util. (A) (no par)	87¼	...	..	...	...	...	...	38½	31¾
Cedar Rapids	3	...	..	...	...	...	...	50	40
East Koot. Pr.	.	...	..	...	...	...	...	32	25
Jamaica Pub. Ser., pref.	7	7.14	98	97	97	97	30	99¼	96½
Laurentide Power	5	4.54	110	110	110	107⅛	10	110	100
Mackay, com.	7	5.18	135	134½	134⅞	134	358	136	105
Do. pref.	4	5.59	71½	71	71½	71	33	73½	68¾
Mexican Light, com.	.	...	30	30	30	30	5	31⅞	29
Do. pref.	.	...	..	...	...	...	...	86	64
Mont. L. H. & Pr. Cons.	8	3.66	221¾	218	218⅝	222	4742	230	209
Mont. Teleg. (par $40)	8	6.66	..	...	...	...	...	51½	48
Ottawa L. H. & Pr., com.	6	6.25	97	96	96	96	39	100	92
Do. pref.	6½	6.35	102	101¾	102	102	40	105¼	100
Quebec Power, com.	5	4.00	126	125	125	125	33	130¼	118
Do. pref.	7	6.27	..	...	...	...	...	116	109½
Shawinigan	8	3.88	208½	204	204	208¼	1035	208¼	167½
South. Can. Power, com.	2.00	2.42	82½	82	82½	83	616	92	82
Do. pref.	6	6.00	100¼	100	100	100	33	104½	100
Do. rights	.	...	..	...	...	...	...	19	11
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	30¾	25
Transportation—									
Can. Pacific Rly.	10	6.07	166½	164½	164½	166	141	166½	147
Can. Steamships, com.	.	...	18¼	18¼	18¼	18¼	10	20	11
Do. pref.	.	...	71	70	70	70½	311	73¼	56
Do. voting	.	...	18½	18¼	18¼	18½	700	19	11
Tractions—									
Barcelona (par $50)	.	...	..	...	...	...	...	36¼	26
Brazilian, com.	5	4.92	102¼	100½	101½	102¼	11136	102⅝	80
Do. pref.	6	5.98	..	...	...	...	...	102½	97½
Detroit Un. Rly.	.	...	1¾	1¾	1¾	2	70	3½	1¾
Duluth-Superior	.	...	..	...	...	...	...	33¼	25
Illinois Traction, pref.	6	...	..	...	...	...	...	96¼	96¼
Montreal Trams.	10	5.88	170	169	170	175	60	178	159
Ottawa Traction	4+1	8.06	..	...	...	...	...	65⅞	60
Porto Rico Rlys., com.	.	...	43½	43½	43½	43½	40	47	40
Do. pref.	7	7.95	88	88	88	85½	20	91	85½
Twin City, com.	5	7.01	71¼	70	71	71⅛	619	79½	68¼
Do. pref.	7	6.79	..	...	...	...	...	103	102¼
Winnipeg Elec., com.	1	...	47½	46½	47½	47¼	430	54⅞	45¼
Do. pref.	7	7.10	98½	97½	97½	98	45	100½	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	37	37	37	37	50	49	37
Can. Converters	7	7.50	93¼	92	93¼	91	210	94	90
Can. Cotton, com.	8	6.55	122	122	122	119½	60	124	113
Do. pref.	6	6.41	95	93½	93½	93½	20	99½	93½
Can. Woollens, com.	.	...	4	4	4	5½	1	8	4
Do. pref.	.	...	..	...	...	...	...	50	45
Dom. Textile, com.	5	5.31	94	93½	94	93½	285	99⅛	89
Do. pref.	7	6.00	..	...	...	...	...	122	115
Monarch Knitting, pref.	.	...	..	...	...	...	...	50	45
Montreal Cottons, com.	6	5.45	110	110	110	110	3	111	102
Do. pref.	7	6.08	115	115	115	115	3	115	110
Penmans, com.	8	4.30	186½	186½	186½	186	50	190	173
Do. pref.	6	5.79	..	...	...	...	...	104½	101½
Wabasso Cotton	4	6.55	61	61	61	61	20	65	60
General Industrials—									
Amer. Sales, c.. (par $20)	4	6.34	63	63	63	62	14	70	54
Do. pref.	7	7.48	93½	93½	93½	95	10	98	92
Asbestos Corp., com.	6	...	..	...	...	...	...	110	89
Do. pref.	6	...	..	...	...	...	...	128	109
Do. com. (new)	.	...	18½	18	18¼	18½	1816	24½	17¾
Do. pref. (new)	7	9.72	73½	71	72	73⅝	613	79¾	62
Bldg. Products, pref.	7	8.04	..	...	...	...	...	87	85¼
Brant. Cd., pf. (par $25)	8	7.69	26	25½	25½	26	323	27½	25⅜
Burt, F. N., com.	12	5.26	57	56	57	56	110	67½	50
Canada Cement, com.	6	5.71	106	104½	104½	105	323	111½	98
Do. pref.	7	6.08	115	113½	115	114	131	120	112¼
Cons. Rubber, pref.	7	8.00	..	...	...	...	...	87½	86½
Can. Ind. Alco. (no par)	1.28	6.73	19½	19	19½	19¼	1519	20	16¼
King Ed. Hotel	.	...	31	31	31	32½	24	41	25
Crow's Nest Coal	6	9.37	65	64	65	65	35	85	51
Dom. Glass, com.	7	7.60	92	92	92	92	15	105	85
Do. pref.	7	6.60	106½	106	106	106	30	111	105½
East. Theat. c. (par $25)	.	...	25	25	25	25	4	25¼	18¾
Do. pref.	7	7.77	..	...	...	...	...	90	83
Famous Play. (com.)	.	...	..	...	...	...	...	18½	11
Do. pref.	8	8.84	90½	90	90½	90	155	94¼	89
Gilman, com.	6	4.91	122	120	122	120	45	122	104½
Do. pref.	7	5.60	125	125	125	123	8	123	113½
Goodyear Tire, pref.	7	7.29	96	95	96	96	93	97	85
Holt Renfrew, pref.	7	8.14	..	...	...	...	...	90	85½
Standard Chem., pref.	.	...	..	...	...	...	...	9	9
Lyall Construction	.	...	..	...	...	...	...	48	20
Nat. Brew., c. (par $25)	4	6.25	64	61	64	61⅛	1783	69	56
Do. pref.	7	6.54	107	107	107	107	5	110	106
National Brick, com.	.	...	9	8	8	8	245	12½	8
Do. pref.	7	11.66	60	60	60	60	30	72	60
Pacific Burt, com.	6	6.41	93½	93½	93½	93½	1	110	90
Do. pref.	7	6.69	..	...	...	...	...	110	102
Port Hope Sani., com.	3	3.48	..	...	...	...	...	88	74½
Do. pref.	7	6.71	..	...	...	...	...	105	99
Rogers, Wm., com.	.	...	60	60	60	62	1	67	45
Do. pref.	7	7.52	93½	92½	93	92½	68	97	90
Sherwin-Williams, com.	6	4.58	..	...	...	...	...	137	125
Do. pref.	7	6.07	115¼	115¼	115¼	114	45	114	110½
Sterling Coal	4	10.12	..	...	...	...	...	43	37
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	57	57	57	57	19	60	55
Tuckett Tobacco, com.	4	6.45	..	...	...	...	...	65	61¾
Do. pref.	7	6.73	104	104	104	102	10	105	100
Woods Mfg., com.	.	...	48	45	47	47	187	48	38
Do. pref.	7	8.06	87	87	87	86¾	10	90	77¾
Kelvinator, com. (no par)	.	...	17	15½	17	16½	114	20¼	15
Do. pref.	7	7.65	91½	91¼	91½	91¼	27	93⅞	90
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	6.07	..	...	...	...	...	100	90
Can. Permanent	12	5.84	..	...	...	...	...	208½	202½
Colonial Invest.	6	...	..	...	...	...	...	7	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.63	..	...	...	...	...	133	127½
Landed Banking	9	6.00	..	...	...	...	...	150	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	5.06	237½	235	235	235	15	245	232½
Ontario Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	8.23	..	...	...	...	...	85	85
Toronto Gen. Trusts	12	5.45	..	...	...	...	...	225	220
Toronto Mtge. (par $50)	10+1	5.61	..	...	...	...	...	100	93½
Union Trust	7	7.14	..	...	...	...	...	101	98
THE CURB MARKET									
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Brit. Amer. Oil (par $25)	10	4.62	54	53	53¼	53	1295	54	47
Can. Oil, com.	1¼	...	70	70	70	70	30	75	65
Do. pref.	8	7.40	..	...	...	...	...	108	100
Continental Oil	25c	1.17	21	20	20	21	60	28	20
Dryden Power (no par)	.	...	9½	8½	8½	9½	330	11	5½
East. Engineering	.	...	..	...	...	...	...	2½	1
Good. & Worts	6	2.39	255	240	255	230	252	255	193
Imperial Oil	1.00	2.77	36	34	35½	35¼	903	38½	32½
Inter. Petroleum	75c	2.34	32¾	32	32½	32¼	1130	35	29¼
Manitoba Power	.	...	41	41	41	40	12	42	24
Newsprint Corp.	.	...	..	...	...	...	...	27	18
Nor. Star Oil, c. (par $5)	.	...	1.25	1.25	1.25	1.15	8.00	1.25	.75
Do. pref.	7	...	..	...	...	...	...	4.90	4.05
Simpsons, pref.	6	6.00	..	...	...	...	...	102	99
St. Maur. Valley	.	...	46	45	46	46	298	53½	40
Toronto R. S.	.	...	1.15	1.15	1.15	1.60	50	1.60	1.10
Volcania Oil (par $25)	62c	...	..	...	...	...	...	29	26
Attendu Engine	.	...	36½	36	36	37	579	43¼	7
Beacon Oil	.	...	18⅝	17⅞	18	18	720	19½	14¼
Belding, pref.	7	...	..	...	...	...	...	101	75
Can. Nor. Pr., com.	.	...	..	...	...	...	...	30	28
Cockshutt, pref.	.	...	..	...	...	...	...	62	57¼
Dom. Eng.	.	...	..	...	...	...	...	67	65
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	3½	...	..	...	...	...	...	72	59½
Nor. Mex. Pr., com.	.	...	45	43	45	43¼	205	55	41
Illinois Power, pref.	7	...	..	...	...	...	...	98¾	96
N. S. Car, com.	.	...	12	8½	12	8½	870	12	7½
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	98	75
Page Hersey, com. (new)	.	...	48½	48	48¼	48½	95	49	43
Do. pref. (new)	.	...	103½	101¼	103½	102⅛	216	103½	100½
Power Corp. (no par)	.	...	..	...	...	...	...	28¼	23
Pressed Metals	.	...	39½	37	39	34½	119	40	30
St. Law. Pr. (no par)	.	...	35	35	35	36½	115	46½	35
St. Maur. Pr.	.	...	75½	75	75½	29	38	82	74
Un. Sec., com.	.	...	50	50	50	56¾	105	65	52
Do. pref.	6	5.79	..	...	...	...	...	105	103

Foreign External Bonds

We can offer you Government and Municipal Bonds on a basis to yield 8 per cent. They may be purchased outright or on a reasonable margin, balance payable at your convenience plus interest at current rates. The Bonds are issued in $50, $100, $500 and $1,000 denominations.

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OF WINNIPEG, MANITOBA

INVITES the patronage of Western people as well as that of Eastern people having interests in the West requiring attention.

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It is especially equipped to handle executorships, administrations, and trusts of all kinds, investments, rentals and other collections.

BRANCHES: SASKATOON, EDMONTON, LETHBRIDGE, VANCOUVER

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Newsprint and Sulphite Pulp

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CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.

Mills at PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

St. Maurice Valley Corporation

Successors to

Belgo-Canadian Paper Company, Limited,
Shawinigan Falls, P.Q.

St. Maurice Paper Company, Limited
Three Rivers, P.Q.

Yearly Output—195,000 Tons Newsprint

Head Office:
MONTREAL-QUEBEC

Annual Capacity: 150,000 Tons of Groundwood
Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

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Limited

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Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

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Many Technical Phases Would Have to be Carefully Worked Out

From Our Own Correspondent.

MONTREAL.—There appears to be little possibility of the early consummation of merger plans affecting Abitibi Power and Paper Co., and Spanish River Pulp and Paper Mills. While there are those who express doubts as to the advantages of such a merger from the operating standpoint, The Financial Post understands that both companies are having careful cruises of their properties made and that considerable attention has already been given to the possibilities of adjusting the rather intricate financial structures of the two companies on a common foundation. In any event the negotiations, if carried on, would undoubtedly take considerable time. The cruising job is one of years rather than of months, and the financial arrangements would also take considerable time.

The financial structure of Spanish River is of such a nature that any negotiations would require very careful working out. The company has outstanding three bond issues which all participate in the earnings. After these three mortgages on the property of the Spanish River Pulp Mills come two other mortgages; one of these is an issue of 6 per cent. mortgage notes whilst the other is a general mortgage bond issue.

Preferred Also Have Claims

Finally before the common shares, there are the preferred, which, as well as the three bond issues, also have a participation in the earnings, but only as, when and if there is more than 7 per cent. paid on the common stock. Thus, merger plans between these companies would of necessity have to be worked out along lines which would satisfy the many classes of security holders.

Abitibi, of course, is in a happier position should it desire to enter any merger. It has three bond issues outstanding, but none of these bondholders would have to be consulted, only the preferred and common shareholders.

Is Well Regarded Company

To-day, investors generally feel that Abitibi is one of the best holds for a long pull amongst the newsprint stocks—an opinion which finds a ready echo among those who follow the industry both carefully and closely.

There are also many who are optimistic about Spanish, but difficulties, which this company encountered many years ago, resulted in certain participating concessions being made both to bondholders and preferred shareholders which, while not interfering in the slightest with the operations of the company, yet would play an important role in the formulation of any merger plan.

Mattagami Pulp Bonds Sell at Higher Price

From Our Own Correspondent.

MONTREAL.—The bonds of the Mattagami Pulp and Paper Company have changed hands at around 118, as opposed to recent quotations of 115. As the bonds have but a narrow market, such price variations are not as significant as perhaps might be imagined, nevertheless, the bettered prices indicate that investors are looking to the final settlement of the many negotiations whereby the bondholders may be paid their arrears of interest.

The bonds bear interest at 6 per cent., and the interest is some five years in arrears; hence the high price for the bonds. The property, which is still being operated by the receiver, comes up for sale October 11. Doubtless, during the receivership, the company has incurred bank loans which may rank senior to the claims of the bondholders, but, on the other hand, there are only $1,785,000 first mortgage bonds outstanding, whilst, ranking after this issue, come the debentures, of which there are $3,000,000 in the hands of the public.

From the foregoing figures it appears that the first mortgage bondholders need do very little worrying as to the eventual outcome of the receivership; undoubtedly the debenture holders will do all within their power to retain an interest in the company and probably would not consider allowing the property to pass into the hands of the first mortgage bondholders for some $1,785,000, plus the arrears of interest.

Optimistic Forecasts Made About Abitibi

From Our Own Correspondent

MONTREAL.—There are some forecasts which have been published indicating that this year the Abitibi Power and Paper Company is likely to make a better showing than in 1925, and, while newsprint prices are down to $65 a ton, yet the company has been operating steadily at 100 per cent. capacity, and the efficiency of its mills is showing a steady increase; thus, the production figures this year are larger than last.

Abitibi has shown a minimum balance of $7.25 a share on its 250,000 shares of common stock during the past six years. The maximum in this period was $14.71 a share, while net profits in 1925 were $11.07. That the company has much strengthened its position over the past five years is borne out in the income account figures, which show a total available for common dividends of $69.06 a share, as against dividend payment of only $22.50 in the period between 1919 and 1925.

That the production of the mill is undergoing a steady improvement may be judged from the fact that this month a new production record was made. In one day the machines turned out over 552 tons of newsprint paper. That this is an achievement may be judged from the fact that the rated capacity of the plant is 500 tons daily. Incidentally, it is interesting to note that during 1926 the company's employees seem to have taken a delight in breaking previous production records. The company completed the end of the first half of its fiscal year on June 30.

International Paper Producing 290,000 H.P.

From Our Own Correspondent.

MONTREAL.—There is a certain amount of power which the International Paper Company will develop on the Gatineau River. In all, there are four sites capable of development, Maniwaki, Paugan Falls, Chelsea, and Farmers Rapids. These sites can produce around 700,000 h.p. at a load factor of about 60 per cent.—in other words, presuming that the full 700,000 h.p. is used only 50 per cent. of the time. In this way, during peak periods, the water may be stored in the regulating dams and thus provide for the larger load of 700,000 h. p.

At the present time the company's developments are being undertaken at Chelsea and Farmers Rapids. At the former, five units will produce 170,000 h.p., and at Farmers Rapids five units will produce 120,000 h.p. Thus the work at present in progress will produce around 290,000 h.p. Probably this, too, is on a 60 per cent. load factor basis.

Work at Paugan Falls

The Gatineau Power Company, a subsidiary of the International Paper Company, will commence work at Paugan Falls, which is about thirty miles north of the junction of the Ottawa and Gatineau Rivers, this fall. It is expected that Paugan Falls will produce about 100,000 h.p., so that the additional capacity will produce a total of a little less than 400,000 h.p.

Power from all these developments, including that at Paugan Falls, will be used in part in the Gatineau mill, which will require around 40,000 h.p., but the greater part, 260,000 h.p. has been purchased by the Hydro-Electric Commission of Ontario. The latter will transmit it, possibly as far as Toronto, a distance of 240 miles, and the Gatineau Power Company will receive $15 per horsepower, or a gross income of $3,900,000 a year.

Anglo-Canadian Project to Cost $11,500,000

From Our Own Correspondent.

MONTREAL.—The capitalization of the new Anglo-Canadian Pulp and Paper Mills, which is being erected on the St. Charles River at the City of Quebec, P. Q., is as follows:

	Authorized	Issued
6½% guaranteed mortgage debentures	£3,000,000	£1,800,000
7% Cum. $100 par value preference shares ..	£8,000,000	$7,000,000x
No par value com. stock (shares)	135,000	135,000

x10 per cent. paid up.

The mortgage debentures are guaranteed by the Daily Mirror and the Sunday Pictorial, two of Lord Rothermere's papers, The total estimated cost of the projected paper mill is approximately $11,500,000. It is expected that two paper machines will be producing by the end of 1927, and the remaining two a year later, both having an annual output of over 130,000 tons. The engineer supervising the construction is George F. Hardy, of New York.

The company's timber limits are situated on the Manicougan River and cover and area of 2,237 square miles. On these leasehold limits there is estimated to be not less than 8,000,000 cords of pulpwood. The company has entered into a contract with the Shawinigan Water and Power Company for the supply of electric energy for 25 years from 1927, with an option of renewal on suitable terms for a period of a further 25 years.

The Rothermere press has an option to purchase from the company for its own use or resale 41,600 tons of paper per annum at $15 per ton over the cost price to the company for a fixed period of 25 years. The debentures were sold recently on the London market.

Newsprint Shipments Larger Than Output

From Our Own Correspondent.

Canadian newsprint production in June created a new monthly high record at 158,601 tons, according to figures published by the News Print Service Bureau, New York. This increase in output, however, was more than taken up by improved demand, shipments jumping to 161,108 tons, or nearly 3,000 tons in excess of production. The Canadian figures were again substantially ahead of those of the United States production, which amounted to 142,166 tons, and shipments to 141,521 tons. The combined production of the two countries was 300,767 tons, and shipments 302,629.

There were also 15,250 tons of newsprint made in Newfoundland, and 1,125 tons made in Mexico, so that the total North American production in June, 1926, was 317,184 tons. During June the U. S. mills operated at 96.1 per cent. of rated capacity, and the Canadian mills at 97.9 per cent.

Price Brothers' New Mill is Said to be Unique

From Our Own Correspondent.

MONTREAL.—The new mill of Price Brothers and Company at Riverbend, P. Q., which began operations at the beginning of the year, has been operating satisfactorily and the output has reached the capacity, or practical capacity, of the two machines, which each are designed to produce 100 tons of newsprint daily.

Those who have visited the new plant say that it is not comparable with any other newsprint mill in the world. Power for both steam and the operation of the machines is provided entirely by electricity, and, while the laymen reports only a mill which is as near to being beautiful as a mill can be, the technical men, who have seen the new plant, say that it is extraordinarily well laid out and that in operation it should prove very efficient. The newsprint machines in the mill were built by Charles Walmsley (Canada) and Company.

STARTING ON STE. ANNE PLANT

MONTREAL. — Between 400 and 500 men, principally from around the district of Ste. Anne de Beaupre, are now engaged in preliminary work of the construction of the new mills of the Ste. Anne Pulp and Paper Co. This number, it is stated, will be gradually increased to 1,500 men, who will work in shifts during the 24 hours of each week-day in order that the construction may be completed by next February.

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Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, Eng.
W. E. Goodman, Manchester, England.

LAST WORD IN TICKER SERVICE

A. A. Housman-Gwathmey & Co., members of the New York stock exchange, have installed and in operation in their Toronto office, the new Trans-Lux Movie Ticker tapes, showing the price fluctuations on a screen several inches high and visible all over the board room.

This is the last word in ticker service as it enables everyone in the room to follow the market movements with ease.

DIRECTOR ARMSTRONG, WHITWORTH

J. Frater Taylor, a director of the Lake Superior Corporation, the Algoma Steel Corporation, and of various mining and steamship companies, has been appointed managing director of Sir W. G. Armstrong, Whitworth & Co., England. Born in Aberdeen, Scotland, in 1873, Mr. Taylor came to Canada in 1909. Prior to that move, in 1902, he had taken an active part in reorganizing the Electric Railways, Madras, India, on behalf of London interests, and a similar task, the reorganization of the Lake Superior Corporation, he completed in Canada, also for London interests.

Public Utilities

INTERNATIONAL POWER MAKING GOOD PROGRESS

Outlook for All Five Subsidiary Companies Improves

From Our Own Correspondent.

MONTREAL.—The progress which is being made by the five subsidiaries of the International Power Company is such as to prove welcome news to the shareholders of the parent organization.

The Newfoundland Light and Power Company's earnings to date this year, both gross and net, show, not only an increase over the 1925 figures, but an increase of a very substantial nature. The company has renovated its tramways system throughout and is rebuilding its power station. Some months ago, a voluntary reduction of rates was made and at the same time a systematic drive to obtain new power customers began. It is satisfactory to note that these two moves have combined to bring about a decided betterment in the income account. The Venezuela Power Company is at present engaged in building a new power station at Maracaibo which, when completed, will serve many of the oil companies operating in its territory. In the meantime the earnings show an increase over last year.

San Salvador to Expand?

Practically the entire output of the San Salvador Electric Light Company has been sold. This must mean bettered earnings and indicates that shortly the company will be forced to expand in order to meet the demand for power. It is understood that the development of some of the company's other power sites is being considered.

The Bolivian Power Company is also loaded up practically to the capacity of its plant and its earnings also show an increase as compared with last year.

The last of the subsidiaries is the Demerara Electric Company, which is engaged in negotiating a new franchise with the city of Georgetown. Favorable progress is being made with these pourparlers and the franchise is to include a contract for power to operate the city's water supply system. This will serve, not only to increase the company's load considerably, but will also stabilize the power load on its lines.

Canadian Western Gas Has Increased Available Supply

In reference to the affairs of the Canadian Western Natural Gas, Light, Heat and Power Co., R. M. Horne-Payne, chairman of the British Empire Trust, at the annual meeting in London said: "The Canadian Western Natural Gas, Light, Heat and Power Co., Ltd., in its report to Dec. 31, 1925, shows satisfactory results.

"Drilling operations were continued during 1925 in the gas field at Foremost. The new wells drilled there resulted in the supply of gas being augmented by approximately 11,000,000 cu. ft. per day, but as there were indications that the supply of gas at Foremost was somewhat limited, the company, in order to ensure a sufficient and continuous supply of gas, have acquired a transmission pipe line from a gas field at Turner Valley, which pipe line is capable of transmitting 20,000,000 cu. ft. of gas per day to Calgary.

"The 5 per cent. debenture stock of the company, in which many of you are interested, is being rapidly reduced by sinking fund."

Dominion Power Expenditures a Boon to Hamilton Labor

HAMILTON.—About $164,000 will flow into the pay envelopes of employees in this city, directly the funds of the Dominion Power & Transmission Company, Limited, in the near future, and this does not by any means represent the total of the money which will be spent on labor by this corporation.

George E. Waller, manager of the company, estimates the amount of the cost of the different impending activities of the D. P. & T. company. The laying of new tracks will cost in the neighborhood of $50,000, and three-quarters of this amount will be labor.

The new barns will be erected shortly, at a cost of $50,000, about one-half being labor. The laying of the underground cables, which will mean an expenditure of $130,000, will also be spent on labor.

The new buses cost $40,000, and the labor in them in the various local factories is roughly $35,000.

Public Utility Earnings

Calgary Power

Year end. Dec. 31—	1925	1924
Gross revenue	$398,837	$357,787
Oper. expenses	93,833	69,257
Oper. income	305,004	288,530
Net income	113,336	96,823
Total income	315,960	302,699

Jamaica Public Service

May—	1926	1925
Gross earn.	$ 53,514	$ 49,531
Net earn.	20,198	17,989
Sur. after charges	13,926	11,106
12 months ending May 31—	1926	1925
Gross earn.	$638,777	$592,516
Net earn.	240,906	198,842
Sur. after charges	164,655	118,546

NIAGARA FALLS POWER

The Niagara Falls Power Company and subsidiary companies' combined income for the quarter ended June 30, 1926:—

Oper. rev.	$2,664,237
Oper. exp.	$ 656,819
Retire exp.	252,424
Oper. taxes	324,164
Total deduct. from op. rev.	$1,233,409
Net op. rev.	$1,430,828
Non-oper. rev.	29,677
Net income	$1,460,506
Int. on fund. debt	$ 517,300
Miscellaneous	139,598
Total deduct. from net income	$ 656,898
Surplus inc.	$ 803,607

Monterey Railway & Power Meeting Debenture Interest

LONDON. — The position of the Monterey Railway, Light and Power Co. has not materially altered during the past 12 months. Political conditions continue to be very uncertain, and no settlement has yet been come to with the government of the state of Nuevo Leon regarding the government's guarantee in connection with the water and sewage undertakings owned by the company. Notwithstanding these conditions, the company has been able to meet the 5 per cent. interest on the A first mortgage debenture stock, and also provide the sinking fund in respect of that debenture.

CALGARY POWER CO. EARNINGS INCREASE

Annual Report Shows Net of $113,336 as Compared to $96,823 Last Year

From Our Own Correspondent.

MONTREAL.—The annual report of the Calgary Power Company reveals a material increase in gross, operating and net income for the year; in addition, the strong liquid position of the company also shows an improvement.

Changes in the balance sheet during the year 1925 include an increase of some $126,000 in the property account for extensions which have been completed during the year. The investment account has been reduced by about $11,000 and liquid assets show a fractional increase. In the liabilities, the funded debt shows a reduction of $193,693, due to bond redemption, and current liabilities have been materially reduced. The total standing at the credit of surplus and reserves accounts last year amounted to $691,105; the excellent results experienced during 1925 allowed this to be increased to $743,582.

The income account and working capital figures follow:

	1925	1924
Gross revenue	$398,837	$357,787
Oper. exp.	93,833	69,257
Oper. income	$305,004	$288,530
Other income	10,956	14,169
Total income	$315,960	$302,699
Depreciation	$ 50,000	$ 50,000
Tax reserve	11,077	11,519
Bond interest	141,547	144,357
Total deductions	$202,624	$205,876
Net income	$113,336	$ 96,823
On capital stock	$5.96	$5.10

Working Capital

	1925	1924
Current assets	$ 85,461	$ 84,478
Curr. liabilities	12,630	23,420
Work. capital	72,831	61,058

The remarks of the president to the shareholders simply reviewed the figures in the income account. The company sells its output wholesale to the city of Calgary, but serves a few industries direct. The income account has shown a steady growth over the past few years and the results for the current year to date are understood to be keeping well up to the high record made in the report covering the 1925 operations.

B.C. Electric Starting on Big Development Project

VANCOUVER.—Work on possibly the largest hydro-electric development project ever undertaken in this province—the B. C. Electric's $30,000,000 programme for Bridge River—with the construction of a road from Bridge River station to the site of the portal of the proposed tunnel through Mission Mountain.

Tenders for the road will mark the beginning of actual construction on the project, only survey and engineering work having been performed to date.

British Columbia Railway Expands in All Directions

Reviewing the affairs of the British Columbia Electric Railway at the annual meeting of the British Empire Trust in London, R. M. Horne-Payne, chairman, said: "The British Columbia Electric Railway continues to show remarkable expansion in every direction. Last year it created new records in every department. Approximately, passengers carried were 69,779,475, as against 68,252,634 in the previous year. Electric power delivered was 322,656,645 K. W. H., as compared with 298,872,146 K. W. H. in the previous year, and the number of consumers served increased from 80,793 to 84,587. Gas sold was 761,507,000 cu. ft., compared with 686,671,000 cu. ft. in the previous year.

"During the present financial year commencing July, 1925, an increase in net earnings has been reported each month as compared with the corresponding month of the previous year. Interim dividends of £4 7s. 6d. per cent., free of tax, on both preferred and deferred stocks have just been declared.

"This company has during the year scored another sort of noteworthy financial achievement. They secured a phenomenal success in introducing a customer-employee-ownership policy, when the public of Vancouver and Victoria applied for more than $7,000,000 of 6 per cent. cumulative preference shares of a subsidiary, the British Columbia Electric Power and Gas Co. The employees of the company brought in not less than 10,851 applications for a total of $5,625,300. Applications were limited to 50 shares, and none was admitted from other than residents of the Province of British Columbia. Out of a total of 2,985 permanent employees, including railway, power and gas departments, 1,410 applied for a total of $602,000."

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23

Production of Gas Industry Increasing From Year to Year

OTTAWA.—Production of artificial gas in Canada in 1925 totalled 26,651,684 M. cubic feet, according to a statement just issued by the Dominion Bureau of Statistics at Ottawa. Of the total output 13,507,487 M. cubic feet was produced in the various gas plants, 12,124,442 M cubic feet in establishments engaged primarily in the production of metallurgical coke and 1,019,755 M cubic feet of still gas was recovered from petroleum refineries. Sales of artificial gas totalled 13,189,100 M cubic feet; the remainder of the output was used in the reporting plants.

Summary Statistics Pertaining to the Gas Industry in Canada

Year	No. of plants	Capital Employed	No. of Employees	Selling Value of Products
1921	50	37,097,280	2,818	18,772,285
1922	48	39,615,765	3,107	19,089,170
1923	45	45,526,495	3,021	19,605,340
1924	44	42,818,276	3,648	18,101,724
1925	44	46,129,651	3,804	18,859,130

By Provinces

1925

	No. of Plants	No. of Employees	Salaries and Wages	Selling Value of Products
Que.	4	1,124	$1,425,271	$7,426,522
Ont.	21	2,076	2,832,627	8,747,867
Man.	8	179	255,245	1,113,929
Brit. Col.	5	303	403,282	1,179,429
Canada x	44	3,804	5,057,702	18,859,130

xIncludes also data for 1 plant in Nova Scotia, 2 in New Brunswick, 2 in Saskatchewan and 1 in Alberta.

Brazilian Shareholders Will Benefit if Milreis Stabilized

South American banking quarters in New York expect Brazil to stabilize milreis permanently some time this year at 8d, or $.1621, by establishing a conversion rate for paper money into gold at that price. Free conversion is hardly probable, however, as the National Bank of Brazil will probably retain control of the gold reserves in manner similar to that in Germany and other European countries which are on a partial gold standard. Pre-war conversion rate for milreis was 16d, fixed in 1910, present nominal conversion rate is 12d, and nominal parity is 27d, or $.5463, though the later value has not been in effect during the present century. Milreis are quoted here at $.1570.

Brazilian legislature is now discussing advisability of this step and there is said to be ltle doubt of its adoption. Both the government and Brazilian business interests favor it, though foreign interests owning property in Brazil favor further deflation. If the figure finally adopted is not 8d, it will be slightly higher, it is said.

Holders of Brazilian Traction shares are much interested in these developments because the earnings of the company in milreis must be transferred into dollars to pay dividends.

Expressing the opinion that the potentialities of Brazilian Traction marketwise have not yet been exhausted, Edward Cronyn & Co. say:

> We have so many inquiries as to the desirability or otherwise of selling Brazilian now that it is above par, that we are glad to place ourselves on record as thinking that the potentiality of this stock has not nearly been exhausted yet. We have bought large quantities of it from the low 30's up to the present time, and many times clients have thought it wise to sell out and capture a profit before a further slump. As the stock got higher there has been less and less in the way of reaction and many of those who sold out at lower prices have bought in 10 and 20 points higher, after waiting vainly for a weak spell.
>
> There is very little offered for sale and a consistent demand from investors, which is emphasized around the first of the month when dividends are available for re-investment or speculation. The real truth is that people are afraid to sell for fear that they will not get back.

Consumers' Gas Strengthens With Financing Disposed of

The Consumers' Gas Company directors opened tenders for a parcel of 892 shares of the company's stock having a par value of $89,200. It was decided to accept the highest tender for the lot, but the price bid was not disclosed. Acting Manager Armstrong said it was not the practice to give such information to the public, but that the shareholders would be informed in due course.

With the new financing disposed of, the market for the stock has strengthened, moving up from 170 to 173.

Bell Rate Increase Case Delayed Before Rly. Board

The hearing of the Bell Telephone Company's application for increased rates in Ontario and Quebec has been indefinitely postponed before the board of railway commissioners at Ottawa. The cause of the adjournment is stated to be the absence in the West of Hon. H. A. McKeown and Commissioners Oliver and Vien, who are conducting a series of sittings on the general freight rate question.

This means that, even if the company obtains the new rates for which it is asking, these would hardly take effect soon enough to have a very material effect on the income account which will show the results of the operations during the current year.

Barcelona Traction Common Attracts Attention in England

A market commentator in the London Stock Exchange Gazette says:

"Barcelona Traction common are attracting quiet attention, and I must confess that as a speculation they appeal to me. The great improvement in the earnings position since the capital re-organization does not seem to be recognized generally. There was a net increase of 10 per cent. in takings during 1925 and the improvement has continued. Another advantageous factor is the recovery in the Spanish exchange, the benefit of which will arise when the surplus profit is converted into dollars, the accounts being rendered in this currency. The same people who supported Brazilian Traction shares last year are now interested in Barcelona common. I consider that at 30 there is scope for a rise towards par. The denomination of the shares is 50 dollars."

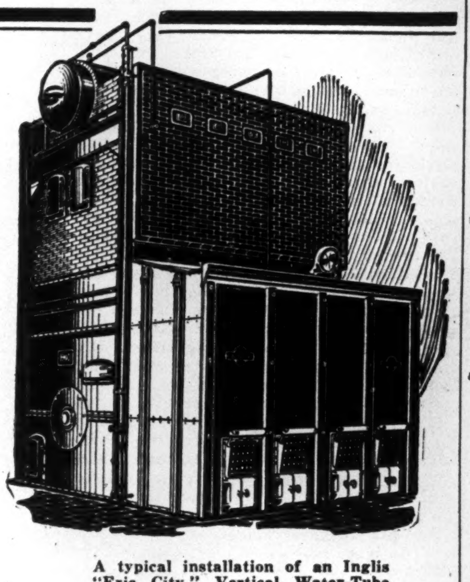
Barcelona has been somewhat easier on the Toronto exchange of late.

S. C. P. CROSSES $1,000,000 MARK

MONTREAL.—The continued growth of the Southern Canada Power Company is amply evidenced in the earnings for the first nine months of the fiscal year; these are the more significant, as, for the first time in history, the figures for the period were in excess of $1,000,000. This compares with earnings in the same period last year of $878,108.

JAMES RICHARDSON AND SONS

James Richardson and Sons have acquired the business of W. L. Craig Grain Co., of Vancouver, the transfer to take place on August 1. Mr. Craig will be manager of the Vancouver branch.



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30

Was the Asbestos Merger Bungled? Investors Ask

Someone Appears to Have Slipped Up in Original Negotiations — Corporation in Intricate Position — Many Rumors Current — Both Domestic and Foreign Competition

From Our Own Correspondent.

MONTREAL.—Why was the asbestos merger bungled? That is the question which many investors are asking to-day. The reason for this and other questions lies in rumors that have long been in circulation indicating that the Asbestos Corporation is experiencing competition which was not anticipated at the time the deal was put through.

What then is the exact situation? At the time the merger was consummated it was generally understood that the three companies which were not included in the deal would operate in complete harmony with the corporation. This was never definitely stated, but it was generally understood to be the case. The three companies, which operate independently, manufacture as well as mine asbestos. As far as can be learned —and the corporation officials will say nothing—two of these companies have entered into a contract with the Asbestos Corporation regarding both prices and production.

Have No Contract

The third company, namely Keasbey and Mattison and Company, is bound by no contract and, unlike the other two manufacturing companies, is a U.S. corporation. As such, any contract which was entered into with what is almost a monopoly here, would probably contravene the anti-trust laws of the United States. The three manufacturing companies are the only Canadian competitors which the corporation has.

It has been said that the Keasbey & Mattison Company only went into merger negotiations on the understanding that either the bankers behind the deal, or the new Asbestos Corporation, would find a way whereby production could be limited to the end of profitable prices without contravening the U.S. federal laws. Apparently no such way out has been found. Therefore Keasbey & Mattison are still competitors of the corporation.

In the meantime, the Keasbey & Mattison Company has increased its production of asbestos. Incidentally, this is due to the fact that this company is finding a higher grade of ore in its mine, and not to any increase in the actual grinding capacity of its mill. Possibly in the future, the mine will return a lower grade and thus its actual production of asbestos will decline. In any event, the net result appears to be that the new corporation is left "holding the empty bag."

Was Merger Bungled?

But to return to the question which investors are freely asking, namely, "Was the merger bungled?" Some investors feel that before the deal was consummated, the Asbestos Corporation should have made absolutely certain of the hearty co-operation of all the producers in the field. Others lay the entire blame for the present competition at the doors of the bankers who negotiated the deal.

In any event, there is the situation. The Asbestos Corporation, having acquired a long list of lame ducks, many of which it closed down, raised prices only to find a competitor taking more advantage of the new price level than can those who were behind the merger throughout and through whose efforts increased prices were made possible.

These then are the factors which are responsible for the present weakness in the securities of the Asbestos Corporation. While the situation is undoubtedly troublesome and worrying. yet investors need not take the position of the corporation too seriously nor view the outlook entirely pessimistically.

Price Advance Helpful

In the first place, prices of the raw product have been advanced and secondly, it is to the advantage of all producers that this advance in price be maintained and probably increased. In this way, the corporation benefits, as do the companies which mine as well as manufacture. The latter thus obtain better prices for their surplus production; and the prices to their competing manufacturers in the U.S. are increased. Viewed then from the investment angle, it seems reasonable to presume that interests which have the same end in view will ultimately arrive at some kind of an understanding leading to mutual co-operation and benefit. But the fact that this situation does exist should be taken into any consideration of the securities of the corporation. Recently, rumors even indicated that earnings of the corporation would not be sufficient to meet the second quarterly preferred dividend payment—but the general opinion is that these stories were exaggerated.

There is other competition which the corporation must face also. This is from South African asbestos in general and Rhodesian asbestos in particular. In the meantime, W. G. Ross, president of the Asbestos Corporation, has gone to England. While there, it is understood, he will endeavor to come to an agreement regarding prices and production with the producers in South Africa. The latter produce chiefly only the higher grades of the mineral.

Competition From Abroad

Now, as to the Rhodesian situation. It has been said that as the output from that part of the world is so small it really is negligible. But this is not the case, for the Rhodesian production has a very decided effect on markets and market prices.

In the Canadian mines, the total of crude and spinning fibre is only 7.8 per cent. of the total fibre produced; these are what are usually termed the high grade fibres. On the other hand, Rhodesia produces a far larger percentage of high grade.

Thus, although Canada produces annually 274,525 tons valued at something over $9,000,000, Rhodesia produces around 35,000 tons only, but its output has a value of some $4,193,400. These figures cover the year 1925. So that, while the tonnage is much less, yet the value of the Rhodesian product is worth approximately 40 per cent. of the Canadian total.

Increased Foreign Production

That the Rhodesian production is more and more entering into the situation is easily seen in the following table which shows the production figures over the last four years. The figures do not include the production from the Transvaal:

Year	Tons	Tot. Value	Av. per ton
1922	14,248	$1,578,678	$110.80
1923	20,364	2,264,476	111.20
1924	26,140	2,930,294	112.10
1925	34,800	4,193,400	120.50

Whilst this large increase in tonnage has taken place it is worthy of note that there has been only approximately an increase of some 10 per cent. in the prices. Furthermore, it is especially significant that the general Rhodesia Asbestos Mining Company paid a dividend of 20 per cent. on its capitalization during the year 1925 and carried a sum equal to an additional 15 per cent. to surplus, after laying aside substantial amounts for depletion and depreciation. Thus, the necessity for an agreement with the South African producers is evident.

Affects World Conditions

This Rhodesian competition, naturally, affects prices all over the world. That the total tonnage from Rhodesia shipped into the United States is small in comparison with the Canadian tonnage is due to the fact that the U.S. is by far the largest consumer of the very short, very cheap, Canadian grades and consumes only the first and second grades of the Rhodesian material—the lower Rhodesian grades are used by asbestos roofing and shingle manufacturers in Europe.

There has been talk, too, of prohibiting the export of raw asbestos from Canada in order to force U.S. manufacturers to establish plants in the Dominion—such talk is idealistic, for domestic consumption here is negligible; duty and freight into the States are prohibitive and U.S. manufacturers certainly would not move into Canada but would arrange to obtain their raw material elsewhere.

Thus, it appears that if the Asbestos Corporation is to make money—or more money—it must be willing at present to forego high prices on its higher grades in order to discourage Rhodesian competition and obtain higher prices for its low grades on which it has at present, with the exception of the Keasbey & Mattison Company, almost a monopoly.

Companies Must Co-operate

But here, again, the situation becomes more complicated, for the Keasbey & Mattison Company uses in its own manufacturing plants at Amber, Pa., all the grades which it mines, but it has a large surplus of the low grade asbestos. And the production of the low grade mineral by the two operators in this province is such as to entirely fill the demand in the U.S. Consequently, there is only one answer for this condition, and prices cannot move upward until the Corporation and Keasbey & Mattison co-operate to better advantage. Incidentally, the latter organization operates the richest asbestos mine in Canada and in this is more favorably situation than the Corporation.

In a nut-shell then, the situation is that the Asbestos Corporation, according to all reports, is not making the earnings it should, due principally to two factors, namely, competition with South Africa and competition with the only other independent producer in the province of Quebec. Whether or not these three interests will ever be brought together is simply guess work, but much seems to depend on whether or not the corporation can arrive at an understanding with the South African producers. If this should ever be accomplished, it seems that a considerably brighter day would dawn for the corporation.

Toronto Finance Annual Report is Now Issued

The annual statement of the Toronto Finance Corp, Ltd., for the year ended December 31, 1925, just forwarded to shareholders, shows profits on mortgages and agreements receivable of $46,271, and, with addition of reserve account of $10.000, and profit and loss surplus account of $462 at credit of profit and loss, total surplus and deferred profits was brought to $56,733, as compared with $70,738 in 1924.

The company has acquired real estate to the value of $71,287, of which it owns $30,000 outright. An amount of $16.000 has been written off over the past five years on the property acquired. Mortgages payable, principal and interest therein, amounts to $35,483, as compared witht $3,913 in the previous year.

In the assets side of the balance sheet, mortgages and agreements receivable, principal and interest due, and accrued thereon, amounts to $448,251, as compared with $491,200 in 1924. Rights, privileges, etc., stand unchanged at $999,830.

The quarterly dividend due in January, 1926, which was also delayed owing to court action, will be included in the payment to shareholders on July 20. Dividend cheques for the half-year of 4 per cent., being at the rate of 8 per cent. per annum, are being forwarded to shareholders on July 20.

B.C. MINING USES CONSIDERABLE POWER

Present Production is Now Close to Half Million Horsepower

Some idea of the amount of water-power being used by the mining industry of British Columbia is given in a report just issued by the Natural Resources Intelligence Service of the Canadian Government. This report says:

"The mining industry makes extensive use of water-power in the district surrounding Nelson. Here the West Kootenay Power & Light Co., controlled by interests allied with the Consolidated Mining & Smelting Co. and the Canadian Pacific Railway, has power installations totalling 77,900 h.p. The East Kootenay Power Co.'s developments on the Bull and Elk Rivers, supplying Fernie, Cranbrook, and other towns in the Crow's Nest coal mining region with electric energy, total 22,200 h.p. In the coastal region several large mining enterprises have developed power from water. At Britannia, on Howe Sound, north of Vancouver, the Britannia Mining & Smelting Co. utilizes 22,350 h.p., the most of which is developed under a 1,920-ft. head. At Anyox the Granby company uses 13,400 h.p. developed from water. On Vancouver Island, Canadian Collieries (Dunsmuir) Ltd., has a 12,000 h.p. installation on the Puntledge River. Many other mining companies scattered throughout the province have developed near-by water powers for use in mining and smelting operations."

The report further states that the total available water-power in British Columbia at minimum flow is estimated at 1,931,142 h.p., and at 5,103,460 h.p. dependable for six months. The power developed at the end of 1925 amounted to only 414,702 h.p.

GROCERY JOBBERS ARE SUBJECT OF OTTAWA INQUIRY

(Continued from page 5)

large blue print with the signatures of those retailers who subscribed to the effort to get the manufacturers to sell this type of jobber. This blueprint together with the letter made an imposing document. But as far as can be learned not many manufacturers who cut off the desk wholesaler have as yet changed their policy. The retailers declare, however, that should they get together and purchase competing lines, even if they have to be imported, the manufacturers would be more inclined to meet their wishes.

The letter follows:—

"We, the undersigned Independent Retail Grocers, copy of whose signatures it attached, having no connection with chain stores or buying organizations, hereby make representation to the manufacturers of proprietary lines, that if we are to successfully compete with the large retail organizations who are preferred customers of the said manufacturers, we must be placed in a position to draw our supplies at a minimum advance in price on the manufacturer's price to the wholesale trade. At the present time the undersigned are drawing their supplies from the firm of W. E. Sutton & Co., Ltd., wholesale grocers, Toronto, and being in a position to pay cash and buy goods in original packages, and in reasonably large quantities, are able to make our purchases on a basis of price which enables us to meet the competition of the large retail organizations which buy direct from the manufacturers at wholesale prices. **We therefore make this representation to the manufacturers, that any action which is taken to preclude our drawing our supplies from W. E. Sutton & Co., Ltd., will be directly against our interests and the interests of the manufacturers, inasmuch as we shall be forced to take up the sale of lines and brands which we can either buy direct from the manufacturers, or through our present source of supply at prices which will enable us to meet competition.** Our present margin of profit is so small that any advance in the prices we are now paying will cause us to lose all interest in the sale of proprietary brands on which we have not the protection of the manufacturer in regard to our being able to draw our supplies from a wholesale grocer who is prepared to sell us on a cash basis at a reasonable advance over his cost.

Ask for no Interference

"In making this representation to the manufacturers we direct their attention to the status of the undersigned in the retail grocery trade. There is a very large section of the consuming public which requires 'service,' and it is recognized that this section of the public is classed as the 'Best Trade,' and it is this high class trade which is conducted over a wide area in the city of Toronto, and elsewhere in the province, by the undersigned. If, therefore, the manufacturer values the distribution effected by, and the co-operation of, the undersigned, we ask him to give us an assurance that he will take no action which will interfere with our drawing our supplies through W. E. Sutton & Co., Ltd. The undersigned wish to make a further representation to the manufacturers that an additional reason for doing business with W. E. Sutton & Co., is that the firm conducts a strictly wholesale grocery business, selling only to the retail grocery trade, and in original cases only (without breaking bulk), doing no business whatever with the consumer direct, including boarding houses and hotels, and carring in stock a full line of staple groceries.

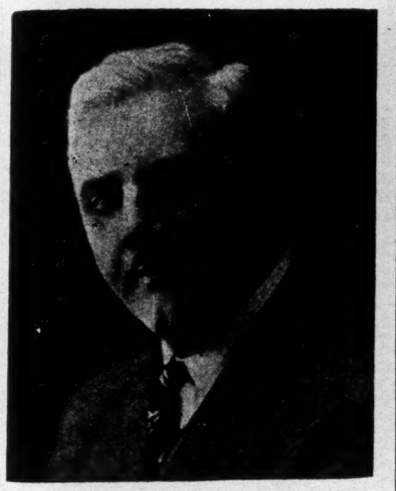
"The undersigned ask you to kindly address your reply to F. W. Black, 416 Spadina Rd., Toronto, Ont."

It is not anticipated that any further move will be made until Ottawa has been heard from in regard to the conspiracy charge referred to in last issue.

BRING IN THE PEOPLE

Hebrew Journal, Toronto: Under this heading last week's Financial Post had an article that called for open doors for immigration into Canada. The Financial Post is one of the most influential newspapers in the Canadian financial world and is very well acquainted with the minutest detail of Canadian industry and commerce, and well knows what industry requires in order to develop. It speaks with authority.

Making Metal Sheets His Business; Directing Charity Drives His Hobby



ALLEN T. ENLOW.

Allen T. Enlow, president and general manager of Dominion Sheet Metal Corporation, Ltd., of Hamilton, is, according to Hardware and Metal, quite as much interested in raising money for other people as he is in making it for himself. He has shown such ability in getting funds for charitable and service organizations and his reputation for philanthropy has reached such a high plane that few drives for funds are undertaken in Hamilton or district without his co-operation.

Allen Enlow's business experience and career has been highly diversified. Throughout, it has been varied and brought him sufficiently close to people and things, to enable him to make a study of human characteristics and reactions. He is keenly interested in people and though since boyhood days he has lived and labored in the glare and dust of the steel mill he has always taken a close interest in his fellow men and helped to bring to them all the advantages of modern times. His public service record includes such honors as president of the Hamilton District Boy Scouts; chairman, Finance Committee of the Y.M.C.A. with the responsibility of raising some $80,000 a year; vice-chairman Hamilton Y.M.C.A., which is pointed to with pride as one of the few Y.M.C.A. associations in America which has not had a deficit; director, Hamilton Chamber of Commerce; director, Hamilton Civic Golf Club; was president, Hamilton Rotary Club in 1919-20, at which time boys' work was first undertaken; president, Hamilton Horticultural Society this year, an organization of 1,600 members and a position which Mr. Enlow regards as more of a diversion than labor because of his great interest in flowers. It was he who during the war organized the Hamilton Civic Garden Club which raised $40,000 worth of vegetables in one year on vacant lots.

Allen T. Enlow was born at Wheeling, West Virginia, on June 4, 1874, his birthplace being on the Ohio River where it acts as the boundary line between the states of Ohio and West Virginia. Here he attended public school and later the Military Institute, and his first business experience came when he applied to John A Topping, now chairman of Republic Iron and Steel Co., for a position. He was installed as stores keeper with the Aetna Iron and Steel Co., at Bridgeport, Ohio, having formerly had a short experience at store keeping of a different kind and not being fully aware of why a steel mill wanted a "store-keeper." However, he got the position and applying himself to a study of the recording and consumption of stores, soon became an expert at this branch of work. This company was later merged into the Aetna Standard Iron & Steel Co., which company later merged into the National Steel Co.; which was absorbed by the U.S. Steel Corporation. He had so successfully installed and managed stores departments in a number of mills and shown such executive ability that he was appointed in charge of the Cambridge Works, Cambridge, Ohio, for the U.S. Steel Corporation, in 1901. Three years later he went to Canton, Ohio, to become general sales manager for the Berger Mfg. Co. and the Stark Rolling Mills Co., which later became the United Alloy Steel Corporation of Canton. It was while engaged with this company that he originated in 1908 the now famous "Toncan" sheet metal.

Thirteen years ago Allen Enlow pulled stakes in the United States and headed for Canada where he felt there were great and growing opportunities for the steel business in its many varied forms. It was a fast developing country requiring a great deal of materials for construction of transportation and industrial facilities, so he decided to throw in his lot with this young aggressive country. In 1913 he became director of Pedlar People, Ltd., Oshawa, Ont., leaving there two years later to establish the Dominion Sheet Metal Corporation Ltd., in Hamilton. This organization, which is to-day the largest of three companies producing galvanized sheets in Canada, became associated with the old established English firm of John Lysaght & Co. in 1924, since which time many of the famous brands of galvanized sheets formerly made entirely in the Old Country and imported into Canada have been made right in Hamilton, Ont.

TWO STANDARDS

Oshawa Reformer.—Oshawa's merchants complain of a recent epidemic of juvenile shoplifting. Some young rascals are picking up articles that are really no use to them but are of considerable value to the merchants. That is too bad and there is no excuse at all for it.

But if a politician, by devious means, though yet within the law, stole a seat in the House of Commons, would his act be less criminal or more criminal than shoplifting? Probably the penalty meted out to him would be the reputation of being an astute and coming statesman.

The Financial Post puts the problem as follows:

"Tragedy stalks in the wake of moral illiteracy among national leaders. One of the most mischievous and corroding influences of tainted political jobbery is its effect upon the youth of the land. Youth's idealism cannot long defend itself against grossness in high offices of state."

Does the average politician ever think of the effect of electoral trickery on the young people of the country? If he does think of it, does he care one iota? Apparently not, in Pennsylvania or Chicago —but what about Canada?

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The Investment History of the C.P.R.

As United States Exhausts Its Resources, Canada Will Grow and C.P.R. Will Reap Benefit of Exploitation of Our Wealth

By RIELLE THOMSON, (Twelfth Article)

THERE is no reason to doubt that, for some years to come, the chief factor affecting the net earning of the C.P.R. will be the grain crop in the western provinces. In reality it is a grain road. Should the west provide but a meagre crop next autumn, there is no doubt that this would be reflected in a depreciation of the stock market prices for C.P.R. stock. Therefore, it is not the intention of this series of articles to endeavor to forecast the price of C.P.R. stock to-day, to-morrow, or two months or two years hence. It is written simply with a view of placing before investors all the factors—be they adverse or favorable—affecting the securities. What the average investor wishes to know is whether or not he can safely purchase C.P.R. stock now, and whether he is justified in leaving his present holdings in the safety deposit box for the next few years without worry as to the price he could ultimately obtain.

It is, therefore, wise, in discussing the future, to sum up only the basic and fundamental influences which in future years will affect business in general in Canada, which in turn may be taken as the real index to C.P.R. prosperity.

It is best, perhaps, to mention first the external influences which will have a decided effect on Canada's trade, and secondly, to deal with the internal factors affecting the country's domestic and export trade. Upon these rest the future of the Canadian Pacific Railway.

It may be said, without fear of contradiction, that the outstanding influence affecting Canadian trade to-day is the United States. Without a doubt, prosperity in that country is more or less reflected on this side of the border, and a business recession there is felt in Canada. In a broad way, then, what is the future of American trade in its relation to purchases in Canada? The most significant thing which has taken place in American business during the past few years is the gradual reduction in the surplus of American wheat for export. To-day the exports of wheat by the United States are trifling and indicate that, at a not far distant date, that country must depend on Canada to supply its demand for grain. Some say this will occur in five years, others in fifteen—when it does come it cannot help but increase prosperity and progress in Canada. The Dominion will be a decidedly different country when industrialization in the United States reaches a point where it is necessary to import quantities of our agricultural produce. There seems to be no doubt that this time is rapidly drawing nigh.

Lower Tariffs in the U.S.A.

Again it is, of course, well known that the present United States tariff policy which bars Canadian products of all kinds is a great handicap to the Dominion. What are the chances of a lower tariff in the United States in the years to come? In the past, the American manufacturers have always been the great protagonists of a tariff. Producers of cotton and other natural products, who rely on foreign markets, quite naturally felt that a high tariff, such as is in force to-day, re-acted unfavorably upon exporters. They point out that to-day the United States is one of the smallest exporting nations per capita in the world. In time, the United States is likely to reduce its tariffs in those items which it will not always be able to produce in sufficient abundance.

High Standard of Living

Again, for the past fifty years the standard of living in the United States has been higher than the world has ever seen before. This has been due to the native ingenuity of Americans and to the fact that the population there has had a whole continent to exploit. When the exploitation has been finally completed, it will then be Canada's turn to step forward and to sell industry in the United States the materials which it will so urgently require.

There seems little doubt that already a considerable portion of the non-ferrous mineral wealth of the United States has been exhausted. Even to-day this is being supplied by such Canadian companies as Consolidated Mining and Smelting and other mineral producers from coast to coast. There is timber. It might almost be said that to-day the timber resources of the United States are exhausted. In any event, the benefit to Canada is already seen in the nothing short of tremendous growth of the newsprint industry in this country over the past ten years. In the past seven years the output of newsprint in Canada has doubled and now exceeds that of the States. During the same years the United States production remained practically stationary.

By and large, then, it may be said that the gradual exhaustion and depletion of many of the natural resources of the United States cannot fail but to react favorably on the earnings of the Canadian Pacific Railway, possibly not immediately, but eventually.

Foreign Trade Necessary

The more foreign trade which this country can obtain, the better the effect on the Canadian Pacific. Extension of imperial trade relations will help. Again, the imposing state of Europe indicates that, for the future, trade with continental ports will begin to increase. So much for external trade and the C.P.R.

GOODERHAM & WORTS EARNINGS EQUAL TO PRESENT DIVIDENDS

(Continued from page 1)

ily improved and replaced, looking to bringing the plant up to thoroughly modern standards. This is being done out of earnings and it is not anticipated that there will be any additional capital financing.

The company has a capital of $2,000,000, or 20,000 shares of $100 par value. The proposed split will increase the number of shares to 200,000. The idea is to increase public interest in the company and the shares have now attained a value which makes them unattractive to the average investor, particularly in view of the large margins required by those who wish to speculate on a marginal basis. The directors have perhaps in mind the example of the British distillers in distributing shares to the public as a factor in getting support in relation to government regulations.

With the incorporation of the present company the property passed out of the control of the Gooderhams. A portion of the new capital was secured in Great Britain, but it is understood that the bulk of the shares are held in Canada—and pretty closely held at that. The statement has been made to The Financial Post that 75 per cent. of the stock is out of the market and likely to remain so as the holders are quite satisfied to retain their holdings.

The president of the company, H. C. Hatch, is a comparatively young man. He was for a time in the hotel business in Oshawa with other members of his family and more recently has been connected with the Canadian Industrial Alcohol Co., Montreal. Other directors are W. Harold Mara, Harcourt Ferguson, K.C., E. D. Gooderham, and Duncan McLeod and F. S. Harris, secretary.

The Gooderham business was originally started by Wm. Gooderham in 1832, and continued by him until 1883 when Gooderham & Worts, Ltd., was incorporated. This company continued until 1916, and from that time until the formation of the present company held the properties and disposed of the bulk of the stock.

The company's statement shows assets of more than $3,500,000, of which land represents over $500,000, and buildings, plant and equipment, less depreciation, more than $1,500,000. Current assets were recently shown at about $1,400,000.

BOURLAMAQUE TEN FOR ONE

MONTREAL.—At a meeting of the stockholders of the Bourlamaque Syndicate, the officers and directors were authorized to increase the capital of the Bourlamaque Syndicate, from 50,000 shares of $5 each to 500,000 shares of $1 each, and that the directors are further authorized to deliver to all shareholders of record July 8 ten shares of the new stock of a par value of one dollar each for each one share of the five-dollar stock.

Building Our Inland Waterways

Canadian Pacific Railway operates vessels on the Great Lakes, carrying passengers, grain and freight between Port McNicol on the Georgian Bay, Lake Huron and the Twin Cities at the head of the lakes. Upper photo shows upper lakes terminal and lower photo Port McNicol terminal.

National Cement Plant Operates at Capacity

From Our Own Correspondent

MONTREAL.—The National Cement Company is shipping, not only in Quebec, but also into eastern Ontario, and its plant is operating at capacity. The price war continues, but it seems a fortunate thing for the producers that the demand for cement has increased very largely this year thus enabling all cement plants to operate at greater capacity than in 1925.

The report of the Bureau of Mines of the Province of Quebec gives the following average price of cement during the past three years:

1923	$2.00 per barrel
1924	1.74 per barrel
1925	1.69 per barrel

The foregoing figures compare with present prices of $1.15. In 1909 the average price per barrel was $1.30, and in 1915 the price dropped as low as $11.13; it will be seen, however, that the present prices are the lowest which have been current for many years.

Average Investor Has no Chance to Cash In On Market Fire-Works

MANY worth while propositions go up like a sky-rocket, burst into a sheet of fireworks, dazzling onlookers, and then—well that is all there is to them. Somewhere, someone may find a charred stick or a piece of cardboard but the fire and the attractiveness are gone.

Investments that climb like sky-rockets seldom become fixed stars in the stock exchange galaxy. The most difficult thing in the world for many people is to stay out of the stock market when some security or group of securities is making a sensational advance; or when a speculative opportunity offers itself in another field, to keep their Victory bonds in the safety vault. Yet the most saddening thing is to be caught in the downward movement, uncertain whether it is but a temporary recession calling for protection of one's holdings or the final collapse. By the time the ordinary man learns the real truth of what is happening, it is too late to save much.

Too Late to Save Himself

Where the average investor is handicapped in taking advantage of any sensational security movement is the fact that his information is usually bound to come to him long after it has come to people who are intimately associated with the operations of the company in question. The word "insiders" is used a great deal in talk about the stock exchange. There are some companies—most companies—where "insiders" are not present because affairs are so openly conducted that the man on the street has as good opportunities of judging the future of the company as the directors themselves. There are others where the directors never trade in the stock market except occasionally to increase their own holdings for investment purposes. But there are also many companies in control of groups of men who play the market with every bit of first hand information they get. There are others that are run by the directors as business concerns and with no relation to the stock market price of the securities but where "pools" are constantly in process of formation or liquidation among brokerage and speculative groups. In such cases, all the man on the street is likely to hear is what the group wants him to hear.

When a stock is sky rocketing, sit in the grandstand and enjoy the rockets. You won't get far by hitching your investment wagon to a shooting star.

NEW ISSUE

GATINEAU POWER COMPANY

First Mortgage Gold Bonds

5% Series due 1956

Dated June 1, 1926 Due June 1, 1956

Interest payable June 1st and December 1st in New York and Boston in United States gold coin and in Montreal and Toronto in Canadian gold coin. Redeemable on any interest date on thirty days' published notice at 105 through June 1, 1936; thereafter at 104 through June 1, 1941; thereafter at 103 through June 1, 1946; thereafter at 102 through June 1, 1951; and thereafter and prior to maturity, at 101; accrued interest to be included in all cases. Coupon Bonds of denominations of $1000 and $500, registerable as to principal and fully registered bonds of $1,000, $5,000, $10,000 and authorized multiples interchangeable in like principal amounts.

THE ROYAL TRUST COMPANY, MONTREAL, TRUSTEE.

The following information is summarized by Mr. A. R. Graustein, President of the Company:

Company: Gatineau Power Company, a Quebec corporation and a wholly owned subsidiary of International Paper Company, will own in fee or hold through long term government leaseholds water power sites in the Province of Quebec, with an aggregate potential capacity in excess of 700,000 h.p. The Company is now undertaking a development program calling for the completion by the fall of 1928 of four hydro-electric plants with an initial aggregate installed generating capacity of 397,500 h.p., of which 373,500 h.p. is on the Gatineau River. This river, one of the most important power rivers in Quebec, enters the Ottawa River from the north in the vicinity of the City of Ottawa. Two of the developments with over half the initial capacity lie within seven miles of that city.

Power Contracts: Contracts for the sale of over 90% of the primary power to be generated by the initial installations at these four plants have already been executed with the Hydro-Electric Power Commission of Ontario, the Canadian International Paper Company and the Canada Cement Company, Limited, and the balance is expected to be readily absorbed in the adjacent power markets. The Trust Deed will contain carefully drawn provisions limiting and defining the conditions under which certain changes may be made in these contracts in order to introduce the reasonable flexibility desirable in long term contracts.

Upon completion of all four power plants and the delivery of the ultimate amount of power under the contract with the Hydro-Electric Power Commission of Ontario, it is estimated that net earnings of the Company available for interest and reserves will exceed $5,400,000 per annum, or almost three times the annual interest requirements on the entire $37,500,000 First Mortgage Gold Bonds issuable against this initial construction program and that the thirty year contract with the Ontario Hydro-Electric Power Commission will alone produce annual net earnings for interest and reserves over 1.8 times such interest charges.

Security: The First Mortgage Gold Bonds, 5% Series due 1956, will be secured, in the opinion of counsel, by a direct first mortgage and hypothec on all properties presently to be owned by the Company. Certain of the transmission lines may be owned by a subsidiary, all the securities of which will be pledged under the Trust Deed.

Under the terms of the Trust Deed no funded debt in addition to the $37,500,000 First Mortgage Gold Bonds and $12,500,000 6% Gold Debentures will be issuable against the present development up to the initial capacity of 397,500 h.p. of the Paugan, Chelsea, Farmers and Kipawa plants. Estimates of independent engineers indicate a value for this initial development, when completed, largely in excess of the funded debt to be outstanding. The Bonds will be followed by $12,500,000 6% Gold Debentures, due 1941, $25,000,000 Preferred Stock and 500,000 shares of Common Stock.

The Trust Deed will provide for a minimum annual Sinking Fund, payable in cash or Bonds, commencing December 1, 1927, equal to ½% of the greatest aggregate principal amount of First Mortgage Gold Bonds at any time outstanding. The Trust Deed will provide that it may be modified by the bond holders as therein provided but no extension of the maturity or reduction of the interest rate of the bonds or change in the lien of the Trust Deed will be permitted.

Guarantee of Completion: A deposit sufficient, in accordance with careful estimates checked by independent engineers, to provide funds for the completion of the present development program up to the initial capacity of 397,500 h.p. will be held in escrow so long as required subject to withdrawal as expenditures are made for this purpose. This deposit will be composed largely of cash, and the balance will consist of $12,500,000, (the remainder of the initial issue) of First Mortgage Bonds, International Paper Company agreeing to find purchasers for these Bonds as additional cash is required. International Paper Company has, furthermore, guaranteed to provide any additional funds which may be necessary for the completion of this initial development program.

International Paper Company: International Paper Company with its subsidiaries is the largest manufacturer of paper in the world and one of the largest holders of water powers in North America. The capacity of its paper mills is more than twice as great as that of any other company on this Continent. Upon completion of the present development program of Gatineau Power Company, International Paper Company with its wholly owned subsidiaries will have developed water powers with a total installed capacity of almost 600,000 h.p. (500,000 h.p., hydro-electric and 100,000 h.p., hydraulic) capable of being increased through further development and through the utilization of undeveloped sites to about 1,400,000 h.p.

WE RECOMMEND THESE BONDS FOR INVESTMENT

PRICE 94 AND INTEREST; YIELDING OVER 5.40%

These bonds are offered for delivery when, as and if issued and received by us and subject to approval of counsel. Legal matters in connection with the Trust Deed and the initial issue of Bonds thereunder, are to be passed upon for us by Messrs. Rushmore, Bisbee and Stern, New York, and Messrs. Lafleur, MacDougall, Macfarlane and Barclay, Montreal, and for the Company, by Messrs. Davis, Polk, Wardwell, Gardiner and Reed, New York, and Messrs. Brown, Montgomery, and McMichael, Montreal. The properties have been examined and the development program approved by the J. G. White Engineering Corporation. It is anticipated that temporary Bonds or interim receipts will be available for delivery on or about August 11, 1926.

Harris, Forbes & Company
Limited

Drury & Company

Wood, Gundy & Company
Limited

Royal Securities Corporation
Limited

Hanson Bros.

Dominion Securities Corporation
Limited

A. E. Ames & Company

Nesbitt, Thomson & Company
Limited

The National City Company
Limited

Rene-T. Leclerc
Incorporée

Greenshields & Co.

THE FINANCIAL POST

Member Audit Bureau of Circulations

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Vice-President—HORACE T. HUNTER.
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Managing Editor—FLOYD S. CHALMERS.
Editor—J. W. TYSON.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

The Financial Post's Platform for Canada

Promote national unity.

Reduce taxation; curtail public waste.

Conserve Canadian resources for Canadians.

Develop production and manufacturing to the highest point in Canada.

Settle our vacant lands.

Encourage individual initiative.

Induce and protect investment of capital in Canada.

TORONTO, JULY 23, 1926

HONESTY AS AN ISSUE

THERE seems to be a concerted effort among many politicians to keep the customs probe out of the election campaign. It is argued by them that the customs inquiry is not an issue in this fight between the parties.

The customs investigation is an issue in this campaign just as far as good government is an issue. Neither party holds all virtues in monopoly and neither party comes out of the customs inquiry entirely clean. That makes it a little difficult for extensive party gains to be made either way on the customs probe, although there seems to be little doubt which party will reap any benefits that do accrue.

The effort to choke off discussion of the work of the inquiry committee and the revelations of that work is to be deplored. The more that the evidence of the inquiry is carried, via the public platform, to the man on the street and the concession line the better for good government. Those who have nothing to fear from the publicity need have no troublous thoughts as to the effect upon their careers.

In these days there is distinct apathy towards crooked work in high places. The mild, resigned acceptance by the Americans of the Pennsylvania election bribery disclosures is evidence of a dangerous lack of public insistence upon political honesty. Canada wants to avoid anything so despoiling of virile nationhood as an acceptance of corruption as bad but inevitable.

Let them talk all they want to about the customs inquiry. It cannot do harm.

SLAMMING THE C.M.A.

A JAB at the Canadian Manufacturers' Association is contained in an editorial in the Toronto Telegram:

> "Canadian manufacturers seem to disclose a growing lack of power to understand or ability to advocate protection as a principle.
>
> "Protection as a privilege has no right to exist, but believers in protection for the country's sake, not for the manufacturers' sake, will have to find friends elsewhere than in the leadership of the C. M. A."

It takes a long time to live down public ill-will. Despite the more progressive note in its policies, the C. M.A. is suffering from the mistakes of the past. The Toronto Telegram's criticism provides a warning to great public bodies to attune themselves to public thoughts and to recognize public needs.

LAFOLLETTE'S LEGACY

IT WOULD be interesting for the taxpayers of Canada to know how much it has cost the Canadian National Railways to evaluate its American lines for the benefit of the Interstate Commerce Commission. Back in 1913, the inflamed, maniacal Robert Lafollette, he of the German sympathies and Socialist doctrines had the United States senate pass a law requiring all railway lines in the United States to be evaluated. They were then to be allowed to earn a certain percentage on that valuation, and that would be the basis for determining railway rates in the country. The railways got busy carrying out the order. They set up expensive valuation departments. To date they have spent over $100,000,000, and they are still hard at work. Two years from now the work may be completed. And when the valuation is completed, it will not be worth as much as the paper used to print the law when it was passed.

One reason is that valuations have changed so mightily that an appraisal on the 1913 basis is useless. Another is that the Lafollette disciples see now, and have seen for several years, that the railways have not been earning too much on their real valuations, and that to follow out the law would mean higher rather than lower rates.

In the meantime a few good Canadian engineers and clerks have had steady jobs for thirteen years working out part of these virtually useless valuations, and the Canadian taxpayers who now own the Grand Trunk Western, the line to Portland, and the Central Vermont, have paid the bills.

Little leaks sink big ships, little paths lead to great swamps, and little laws sometimes create situation their sponsors never thought of. It is too easy for men of the Lafollette stamp to get laws passed in haste for which nations repent at leisure.

BETTER USE FOR THE DOLE

IF THE result of the British strike is to direct attention to the coal resources of Canada as a source of supply, the present trouble may eventually prove in the nature of an "ill wind" with our coal producing provinces as the beneficiaries. Col. Sir Arthur Richard Holbrook has written a letter to the London Times asking why coal mines which do not pay should be kept open in England when there are coal deposits in Canada, estimated as containing one-seventh of the world's known supplies, most of which are still waiting to be developed.

Sir Arthur realizes that there are difficulties to overcome in securing capital for development and in persuading labor to migrate, but these go hand in hand, he argues, and are not insurmountable. Further, he makes the definite suggestion that the millions now used in providing doles could be much better employed in development abroad, which would provide jobs at good wages for those now idle.

Canada has on both the Atlantic and the Pacific stores of coal, the successful marketing of which would be for the economic advantage of the whole country, and if markets can be provided in Great Britain the development could be carried out to the mutual advantage of both countries.

WHERE HIGH WAGES HELP

HOW often do we see in the advertisement of some community seeking industries such phrases as "low wage levels" or "cheap labor." Far better would it be for the community to be able to advertise with truthfulness some such phrases as "high living standards" or "prosperous workmen."

An American engineer speaking in Montreal the other day condemned the belief that a community of low wages is a good community for an industry to establish in. The low wage policy has done more, he said, to interfere with real prosperity than all the other so called economic causes put together. Industry is beginning to realize that the effort of all management should be so to organize particular industries that the highest possible income could be paid to every employee. This would not be done from purely altruistic motives but for the purpose of increasing purchasing power from groups of individuals.

The theory is sound and in accordance with the best modern thought. The great advances of industry in business to-day are being made because of increased purchasing power and a wider distribution of wealth rather than because of lower production costs through lowered wages.

CURB RUM-RUNNING

THERE is something very small about the argument that Canada should not concern itself with bootlegging of liquor from this country to the United States. Those who hold that argument feel that prohibition enforcement across the line is no affair of Canada's; that we should get all the good American dollars we can and that (this to bolster up the other two arguments), if the Americans are not sincerely enforcing prohibition, Canada is not bound to help them do what they do not appear to be willingly doing themselves.

One might agree with all these arguments and yet feel that Canada should co-operate to suppress rum running on the border. The specious arguments of the voluble gentlemen, who take the stand that we ought to debauch the American customs service as long as we get paid for it, misses the important points where Canada's interest is directly involved.

Smuggling of merchandise into Canada really began when the liquor traffic broke the morale of the customs officials on both sides of the border. That is one reason for doing everything possible to suppress that traffic. A second reason is "short-circuiting." Liquor cargoes start off from Canada but never reach the States. They come back to Canada and are sold here without payment of excise taxes. Another reason is expressed in the simple law that more money can be made out of a motor launch or a truck or any other vehicle when cargoes can be had in both directions than when it is full going south and empty when coming north. And the bootleggers have seen to it that he got these cargoes, to the detriment of honest Canada businessmen.

Hon. H. H. Stevens is right in determining to stop liquor smuggling from Canada to the United States.

A RICH HINTERLAND

BRITISH Columbia has a railway that has been completed in the middle but which is without connections at either end. This is the Pacific Great Eastern, built before its time, no doubt, and constructed because a firm of contractors was able to induce the province to guarantee enough bonds to pay the costs and give them their profit. Now the province is saddled without the road and is poorer, sadder and wiser. It is the old story that Canadians know so well in railway construction matters.

But all British Columbia needs to make the P.G.E. a very fine asset is sufficient increase in wealth and population to justify further expenditures on the line. There is no doubt as to the resources in land, timber, minerals and scenery tapped by the P. G. E. "A Dominion within British Columbia" is the way the lieutenant-governor of the coast province, Hon. Randolph Bruce, described the P.G.E. country after he returned from a recent visit. There is a vast area of fine rolling farm lands attracting the finest type of settlers, who are engaging successfully in mixed farming, he said. Mining is gaining in volume and importance. From Squamish to Lillooet, lies a hundred miles of unrivalled natural splendor; mountains, lakes and forests excelling in beauty even Italy and Switzerland.

The P.G.E. is a heavy load for B.C. to carry but looking to the future it is worth carrying.

BUILDING HOME INDUSTRY

RECENTLY a large equipment job in connection with a construction work of more than ordinary size came up and various firms supplying this type of equipment were given the opportunity of submitting their estimates. The one Canadian company in the field submitted a price that was some $50,000 above the lowest bid, that of an American firm. In submitting their bid, they pointed out that the specifications were such as to favor American firms, as the architects and engineers were from the other side of the line, and had designed their building on American practice.

Fifty thousand dollars is a large sum, and no company would be justified in spending its shareholders' money to buy Canadian goods at $50,000 above an outside price. But the directors of the company buying the equipment took an action that was commendable.

They withheld award of the contract for a week. They gave the Canadian firm a chance to suggest changes in the specifications that would enable them to meet the outside price.

Whether or not they got the contract is not germane to the important point in this affair. The important point is that the purchasing company took all reasonable steps to give the Canadian manufacturer an equal chance with the American firms that were bidding. Without sacrificing their shareholders' interests they kept Canadian goods in mind.

That is the spirit that will help build up Canadian industry.

EDITORIAL NOTES

MUSSOLINI also proves there can be too much of a good thing.

* * *

FRANCE has pinched the Dodge slogan for its ministries: "Constantly improved but no yearly models.'

* * *

AARON SAPIRO was given the freedom of the city at Saskatoon. What words will do for a man!

* * *

AN ADVERTISEMENT of a foreign bond house advertises "The French franc is going to par." So did the mark, but it was a new par.

* * *

FARMERS the world over are essentially capitalistic in thought and action. Even in Russia, every step that has been taken by the Soviet government toward the establishment of saner economic foundations has been forced by the peasant class.

Fifteen Years Ago

Extracts from Files of The Financial Post.

Frank S. Meighen elected president of Lake of the Woods Milling Co.

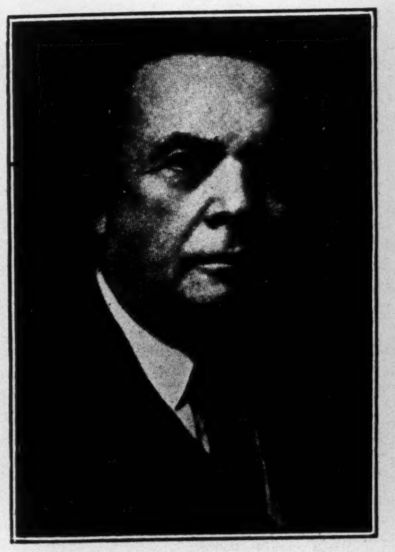
Shawinigan Water & Power Co. builds new transmission line to carry its capacity load of 40,000 h.p. and the street "wonders where all the power will go."

C.P.R. sells at 244. Rio de Janeiro Railway, Toronto Railway, Detroit Railway and Richelieu and Ontario Navigation Company busiest issues on stock exchanges.

Movement on foot to build railway from Vancouver to Peace River.

Born in Canada, John Muir is a Pioneer in Wall Street

Introduces Baby Bonds and Partial Payment Plan to Staid Financial Community of New York—Won His Seat by Victory Over Coffee Trust



JOHN MUIR.

"YES, I was born on a farm in Scarboro Township; married in Belleville in 1868 and then started for the United States," says John Muir, famous Wall Street banker, in reply to a question by The Financial Post as to his early life.

Louis J. F. Moore has written a booklet biography of John Muir. He says:

"When you find the head of a New York financial house who, as a boy of fourteen started at $2.50 a week with a Canadian manufacturer of clothing, who fought and worked through the business romance of transcontinental railroad construction; who handled delicate questions of rate differentials between competing overland railroads; who transformed the entire basis of charge in the northwest from measurement to weight; who carried on negotiations abroad so successfully that a great foreign corporation conceded his steamship company an additional $75,000 a year in coffee freight; who won his seat on the New York Stock Exchange for nothing because of this accomplishment; who reversed Greeley's advice and came east; who rates fifteen lines in "Who's Who,"; who was drafted by the government during the war to be the foster father of the baby bond—you usually find a man with a real story to tell."

Becomes a Vessel Manager

When Muir left Canada he went to the Western States and became secretary to a railway man. At 30 he was general freight agent of Kansas Pacific, later becoming traffic manager of the transcontinental system knit together by Henry Villard. C. P. Huntingdon, another great railway magnate of the past generation, got hold of Muir and put him in charge of his ocean boats. Muir made his reputation by going to Europe and successfully adjusting freight rates with foreign coffee importers. Moore tells in his booklet:

"So, abroad went Muir, to lay his suggestion before the board of directors of the foreign coffee handling lines. He brought with him all his American experience—but no foreign languages. His life on a Canadian farm had given him no opportunities for schooling beyond 14 years and the three R's; add to this a mastery of the New Testament gained from reading it aloud four times in the course of a visit to his grandparents, and still the equipment for meeting the adroit business men of Europe would seem insufficient.

"But Muir went abroad to talk money, and money is basic in all languages. Interpreters had little trouble in translating its bare facts. For six weeks negotiations were carried on. Then a very jubilant man cabled Mr. Huntington that his line was finally assured an annual allowance of $75,000 a year for five years, following suggestions that Muir had made."

When he returned J. Huntingdon asked him what he wanted as reward. Muir coolly asked for a seat on the New Stock Exchange, and got it, although it cost the old man $20,000.

Fathers the Baby Bond

There was nothing outstanding about Muir's work on the exchange until 1910, when he became an odd lot specialist and put the partial payment plan into operation.

When the war broke out he tried to get Hon. Reginald McKenna, British Chancellor of the Exchequer, to float a British loan in the States in small denominations, getting the small man on the street to buy. The British turned down the idea, but it was adopted by the United States government, which put Muir in charge of the sale of Baby Liberty Bonds when the United States entered the war.

Specializes in Small Bonds

After the war, Muir continued to specialize in small bonds for small investors, so much down and so much a month. He is the undisputed father of the baby bond.

Now he is 79; he has been in business 65 years but he is still at work at 8.30 every morning.

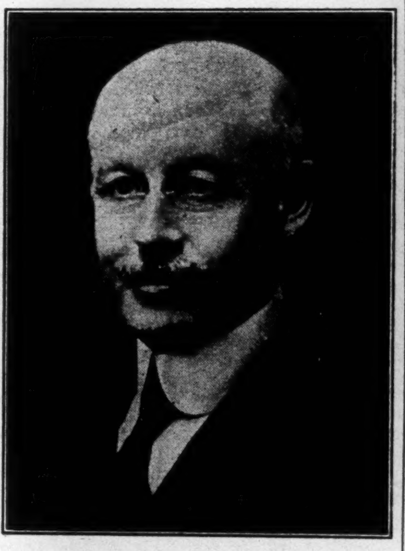
Mr. Moore's story of John Muir concludes:

"Having found the steps from the Canadian farm to the office of 61 Broadway, we can look deeper and see the reason—and it is this: The fact of 'knowing his job well.'

"When asked whether he did not miss the excitement of the old veteran railroad days, Mr. Muir admitted that the market and his real estate developments still gave him all the excitement that he thought a man of his age should have.

"And as for hobbies, Mr. Muir said that he had sixteen of them—all of them his grandchildren."

Bank Manager, Son of Manse, Will Handle United Church Millions



H. W. BARKER

The only layman to be appointed by the general council of the United Church to a high executive position is H. W. Barker, former bank manager. Mr. Barker has recently been appointed deputy treasurer of the United Church, in which post he will have immediate direction, with Dr. R. R. Laird, treasurer, of the investment and expenditure of many millions yearly.

Product of a Nova Scotia manse, Mr. Barker was for over twenty-five years with the Royal Bank of Canada, having been manager of the Avenue Road branch, Toronto, until he went to Queen and Broadview to open that branch. Later, he opened Gerrard and Jones branch as a sub-branch to Queen and Broadview. He made the Queen and Broadview branch one of the most important in his bank.

His Hobbies Are Numerous

During the war, Mr. Barker gave up business interests entirely and became secretary of the Broadview avenue branch of the Y.M.C.A. in Toronto. When G. A. Warburton, general secretary of the "Y" for Canada, headed the united national campaign of five Canadian churches, after the war he asked Mr. Barker to become executive secretary, Mr. Barker accepted. Mr. Barker has always been active in the Congregational church. When this church went into union his work was recognized by his present important appointment.

Mr. Barker is an interesting writer and speaker. He is a camera enthusiast and with a home-made pin-hole camera has produced some charming pictures. Astronomy and architecture have attracted him and he has spoken and written on both subjects. He is general treasurer of the Astronomical Society of Canada and secretary of the United Church's committee on church architecture.

When the great United Church meeting was held in Montreal recently, a newspaper described Mr. Barker as "the financial wizard of the Congregational Church," who had brought the highest per capita contribution into Union.

While Mr. Barker was acting as financial secretary of the Forward Movement, as deputation secretary of the Foreign Missionary Society and as general treasurer of the Congregational Church, he added to his responsibilities still another job and edited "The Canadian Congregationalist." Most of the writing was done at night or on Sunday, in railway trains when traveling about among the churches, or in the street cars in the city. He was actively serving on 48 committees (counting only those he could remember offhand).

Holding down one job will not satisfy Mr. Barker after such a round and in addition to handling church finances he will continue to write. Those who read "The New Outlook," will see his work and it will be signed "Rekrab, the Scribe."

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PLACE OF BUSINESS PAPERS

Manufacturers' Record: Business papers have a great and grave responsibility resting upon them. They can, to a large extent, be made the leaders in shaping the thought of the business world and helping to guide the activities of the daily papers. The business paper must discuss business questions with a broader knowledge of the situation than it is possible for the editors of nearly all daily papers to have. The daily paper work must be done under a rush and to a large extent by men who are expected to write on any and every subject that comes before them. The business paper, on the contrary, must do its work without the haste and hurry of a daily paper. It must have men trained to thoroughly investigate every question which it attempts to discuss, and then to handle it without regard to advertisers or subscribers, or to the views that may have been expressed by the daily papers.

There is a plane which the business papers should reach far and away beyond that which as a whole they have yet approached. Their views on great questions pertaining to the economic welfare of the country or the particular industry that they may represent should be accepted as freely as the statements on the iron market made by the Iron Trade Review or the Iron Age. What they say as to the price of iron or steel is accepted in court and elsewhere as final. It is not possible for an editorial opinion to be accepted by everybody in the same way, but every editorial opinion in a business paper should be as carefully thought out and the truth as eagerly searched for as the market reporter searches for truth as to the prices of pig-iron or other products.

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THE Investor cannot be too careful in the choice of investments.

The recommendations of an established and reputable investment house are of invaluable assistance in making a wise decision.

Inquiries invited

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The West Is Profitable

The Pacific Coast is developing more rapidly than even we who watch it can realize.

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The small sum of $78.12 will purchase an Accumulative Bond for $100 payable at the end of five years.
Our Bonds, along with our deposits, are secured by the Corporation's entire Assets, which amount to $48,281,493.32.
It is well worth your while to investigate the merits of these Accumulative Bonds. They are a particularly attractive medium for the investment of small amounts on which you are prepared to allow the interest to accumulate.
Canada Permanent Mortgage Corporation
14-18 Toronto Street Toronto 2
We have been providing safe investments for small sums since 1855.

City of London

5% Bonds

Due 1932-1942

Principal and half-yearly interest (30th June and December) payable at the City Treasurer's Office, London, Ontario.

Denominations: $1,000

Subject to Legal Opinion of Messrs. Long & Daly.

FINANCIAL STATEMENT

Assessed Value for Taxation $71,463,218
Total Debenture Debt 15,767,695
Net Debenture Debt 7,367,721
Population—63,339 Area—10 sq. miles

London is the fourth city in Ontario as regards both population and importance, ranking next to Toronto, Hamilton and Ottawa. It is the commercial, financial and educational centre of the southwestern portion of the Province. The City is one of the oldest and most substantial cities of Canada.

At the present time there are 234 manufacturing establishments with a capital investment of $39,228,903 employing 8,890, having an annual production of $36,291,350. The manufactures include a wide range of products the principal being stoves, biscuits, candies, rolling mill, motor cars, shoes, pianos and organs.

London is situated in one of the finest agricultural districts in the Dominion.

PRICE: ON APPLICATION

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Chatham, Wallaceburg and Lake Erie

A.C., Montreal.—As a subscriber I am taking the liberty of asking you your opinion on the Chatham, Wallaceburg & Lake Erie bonds, 5%, July, 1925, which bonds, as you are no doubt aware, have not been paid at maturity.

No action has been taken in a concerted way by bondholders of the Chatham, Wallaceburg and Lake Erie Railway to protect their interests. The road is showing slow but steady improvement and the production of beets along the line increases, but it is apparently doing little better now than earn operating expenses.

The larger bond holders have agreed to do nothing to embarrass the corporation, feeling that if they were to throw the line into receivership and attempt to realize upon their bonds they would have no physical assets with saleable value.

Rossland's Future

J. F., Quebec.—Will you kindly tell me if the Rossland Camp will ever see its 1897-1898 boom in gold mines when the Le Roi made such a noise that the wonderful Klondike was put in the shade.

Yours is a rather difficult question to answer and to attempt to do so would be guessing, as new and important finds in the Rossland camp might start a new movement there at any time. Just at the present the camp does not appear to be making much progress. The 1925 report of the British Columbia Department of Mines says that operations last year in the camp at Rossland were considerably curtailed as evidenced by the number of men employed by Consolidated Mining. In January, 1925, there were 320 men and the company closed the year with only 105 employed there. On the other hand there are several small operations going on there, and as we have pointed out a sensational discovery on any of those might bring the camp back with a "bang."

Japanese Bonds

A.R., Alberta.—Would you kindly give your opinion of Imperial Japanese Government External 6½% bonds, maturing February, 1954, as a long time, safe investment. Would you recommend it? I am looking for a safe and sound investment for $1,000, having due regard to safety and marketability should I want to dispose of same in a few years hence. I might add that this would even up nicely my diversifications and I shall be glad to have your advice.

The Japanese Government bonds of the 6½ per cent. external issue maturing February, 1954, were offered two years ago at 92½. They are now selling at an advance of approximately 5 points and the present yield is about 6.70 per cent.

This yield compares favorably with yields of other foreign issues and the Japanese bonds may be regarded as among the strongest of foreign issues. This issue was sponsored by J. P. Morgan & Company and a large group of powerful bankers.

There is no reason why you should not add it to your list.

Acadia Sugar

T. J., Vancouver.—I have been approached by an investment house in the matter of the first mortgage bonds of the Acadia Sugar Refining Company. Would you please advise me as to my position in the event of my making such a purchase?

Recently, the Acadia Sugar Refining Company was incorporated to acquire the business of a predecessor company operating under the same name. The old company was behind in its preferred dividend payments and in addition had large annual serial bond maturities amounting to $100,000. In the new company, the serial maturities have been replaced by sinking fund payments of $50,000 and thus the financing puts the company in a better position with more adequate working capital and with considerably lowered annual charges.

The average earnings over the last three years of the predecessor company have been at the rate of three and three-quarter times the annual interest charges on the new issue of bonds. This is before depreciation and local taxes. During the first five months of the current year the earnings have increased.

The bond issue is a first mortgage upon the entire assets of the company; the total value of these assets, after depreciation, exceeds $4,970,000 as against the $2,500,000 of the present issue.

It is significant that after the first mortgage there is an issue of general mortgage bonds of which there are $750,000 outstanding and that these bonds have all been subscribed for by directors and those intimately associated with the operations of the property in the past.

Both in earning power and in assets, the company provides an excellent security under the mortgage. The board of directors is composed partly of responsible Maritime business men and partly of those representing the Scottish shareholders; the latter have operated the company over the past 25 years.

Contract Mines

Toronto Reader.—A gentleman died in England recently and left some stock in Contact Gold Mines and his estate is anxious to know if the stock is of any value. I have no information as to whether it is a provincial or federal company.

Our records show only two mines in Canada with the name Contact. Contact Bay Mines, 326 Cutler Bldg., Rochester, N.Y., with a property in North-western Ontario and Cobalt Contact Mines, a silver proposition just outside Cobalt, head office, 8 Bloor St. East, Toronto.

Barry Hollinger

Reader, Washington.—What do you consider the chances of Barry Hollinger at the present price? Do you think it is too high?

In our issue of July 9 you will find a statement of Pres. Crowe on this mine. There is, however, considerable talk about the street in regard the financial position of the company, having to do with the cash on hand and the stock remaining in the treasury. Many seem to think that the treasury is exhausted. If such is the case the future of the proposition would seem to depend on the ability of the venture to carry itself from this forth. Such a condition would naturally make the proposition more speculative than the ordinary mine brought to the production stage as the impression is abroad that the mine will require further development to ensure profitable operation. If you haven't purchased any of these shares we would suggest that there are better things available. The directors are: J. A. Dunn, pres.; P. A. Barry, vice-pres.; C. B. Nasmith, J. H. White.

Macassa Mines

J. G. C., Ontario.—Is Macassa Mining stock a good buy at 40 cents? Give us your idea.

M. G., Toronto.—I am not in the habit of paying much attention to literature such as the enclosed on Macassa Mines, but would like some information in regard the mines of Northern Ontario and Quebec. I am of the opinion that if one invests in likely ventures that he stands a good change to make a good profit, also that the chances are better in this line than in say oil speculation.

Macassa Mines are well sponsored by reliable mining people and we should judge that when operations are under way that the management will be very excellent. The location of the property is to the west of Kirkland Lake Gold which has met with a very good measure of success in developing the western extension of the Kirkland Lake belt at depths.

The Macassa, we consider, has a reasonable possibility of success in which the speculator should get a run for his money, because of those behind it. It is a geological question whether or not the main break of the camp extends into these properties or whether it has been faulted and carried to the south. The Macassa's advisors picture the geology as being identical with the producing zone of the camp.

Has $1,000 to Speculate With

J. S., B. C.—I notice that you speak favorably of Goldale. I have about $1,000 I would like to speculate with, not needing the returns for a year or two. I am trying to make up my mind what to speculate in, Goldale, Noranda, Amulet, Canadian Lorrain, Baldwin, or could you suggest anything better? I have 200 shares of Vipond bought at $1.20. I hold 1,000 shares Tough Oakes, which cost me 50 cents, but the fluctuations in the stock have been such that I am thinking of getting out if it goes back to 50. What do you think about it. I read your articles in The Post and enjoy them. I never miss them.

Goldale, Noranda, Canadian Lorrain shape up well. Canadian Lorrain is building a mill on its South Lorrain property. It looks like an excellent silver proposition. Noranda is erecting a smelter in Quebec and is well regarded as a hold for a couple of years. Goldale holds a number of good Porcupine properties and a stock interest in Coniarum. The latter looks like the next producer.

Your idea of getting out of Tough-Oakes looks like good judgment. The proposition is very speculative. Vipond is a well-handled gold proposition that should do well. Some of the speculations in your own province are well regarded.

Argonaut

W. L. M., Ontario.—Would you sell Argonaut Consolidated at the present time? I hold shares bought at 56 and am commencing to lose faith.

We doubt whether you would sell Argonaut Consolidated at the present market. You are down about 36c. a share and having taken a long gamble we are inclined to think it would be the best policy to play the gamble a little further. If the company's expectations for this summer are realized, you may be able to get out with a profit in the fall. The company has just opened up two new levels in the mine to cut under the very substantial ore body on the 750 foot level. They must be very optimistic because they have just placed an order for a 500 ton hoist.

In addition to this the company holds quite a material interest in the Laval Quebec Mines. These holdings are substantial and as there is an indication that quite considerable attention will be given to Quebec and Quebec Mining stocks in the fall, these shares have a possibility of moving along briskly, and if they do it will materially affect the position of Argonaut.

Of course there is the possible danger of the Argonaut proposition failing. The very market price of the shares indicates that there is risk. The directors of the company are: J. H. Rainville, pres.; Dr. H. L. Reddy, Lt.-Col. R. Starke, A. Raymond, L. Graton, L. C. Lamothe, W. Archambault, W. Duquette.

POST-Scripts

SOMETIMES we are inclined to blame the postal service when our letters are late. True enough the post office falls down badly on occasion. But credit ought to be given when credit is due. In this case, for instance:

A member of The Financial Post staff telephoned to another office in Toronto about noon recently, asking for a photograph. The photograph arrived by mail during the afternoon. There was no special delivery, merely a two-cent stamp.

THE motor bus promises to become an even more important factor in bringing the advantages of rubber-tired transportation into universal appreciation than has the passenger automobile. The commerce department at Washington reports that the motor bus is now carrying passengers over the Arabian desert, traversing the old biblical route from Jerusalem to Jericho and running up to the Temple of Heaven in the sacred city of Peking. Names that are familiar in song and story appear in this report—Rangoon and Mandelay—Cario and Alexandria — Casablanca. All these have their quota of motor buses. There is a bus line which conducts a regular service across the Gobi Desert in Northern China connecting Kalgan with Urga and covering a distance of more than 600 miles. Even on the Sahara Desert the modern motor bus is gradually usurping the place of the picturesque and cumbersome camel.

According to the report there are to-day operating in Asia, Africa and Oceania about 17,000 buses. British Malaya and French Morocco head the list of individual countries with about 2,000 buses each; India and Australia have each a little less than that number.

ON BEHALF of the president of France, Dr. Marcel Knecht conferred on C. K. W. Woodbridge of New York, president of the Dictaphone Corporation, and recently elected head of the Associated Advertising Clubs of the World, the order of Chevalier of The Legion of Honor, in recognition of his activities in organizing international advertising relationships and his efforts to improve trade between the two nations. This famous Order was created by Napoleon Bonaparte, First Consul, on May 19, 1802, to reward distinguished service rendered in military and civil life. The first presentation of the Legion of Honor was made with great solemnity to the "Legionaires" in Paris, at the Palace Invalides, on July 14, 1804, by Napoleon, who had then become Emperor.

During peace times, in order to be admitted to the membership of the Legion of Honor, it is necessary to have discharged with great distinction civil or military functions over a period of at least twenty years. This rule, however, does not apply to persons who have rendered extraordinary service in arts, science and literature. In this respect, admission to the Order is the highest honor which the French Government can confer upon those who are not French nationals, as recognition of distinction or accomplishment.

THIS is an age of specialists, not only among individuals, but amongst gangs—that is, where work is carried out by gangs. For instance, at Arvida, the new home of the Aluminum Company of America, in the Lake St. John district, the company is busily erecting new houses for its employes. These are not being built one by one. First of all, along comes the foundation gang which quickly digs the foundations; next comes the concrete pouring gang, to be quickly followed by the first floor gang who promptly erect the first floor. Then come the second floor men and finally the roofers.

There is a restaurant which has as its motto: "A Meal A Minute." The Aluminum Company could claim "A House An Hour" were it not for the fact that the only real lapse of time in the whole series of operations occurs whilst the cement foundations are hardening.

Current Comment

HENRY FORD WANTED

New Glasgow Chronicle: Some of the optimists about town suggest as a cure for our industrial ills, to send for Henry Ford and give him the steel works. There would be no harm in asking Henry, but he is nobody's fool. The first question Henry would ask might be, "Where are your markets?"

WALL STREET'S VIEW

Commerce and Finance, New York.—It seems probable that the Liberal party, discredited by the customs scandals and its attempts to ride two horses at once—the free trade agrarian West and the manufacturing protectionist East—faces a disastrous defeat. Canada is ill-equipped for a tariff war with the United States, which is a possible result of a Conservative victory.

CYCLES AND CIVICS

Editor and Publisher, New York: Even more important than business cycles, is the simple observation that, aside from misfortunes over which mortal man has no control, national prosperity is won by progressive, thrifty, conscientious, working people and by just governments and that the guide to future expectation of prosperity is merely an estimate of the disposition of the people to work and progress and governments to be just.

NO DEALINGS WITH RUSSIA

Labor Leader, Toronto.—Efforts of the Soviet Government of Russia to have a Labor whitewashing committee sent from the United States to that country were condemned by the executive of the American Federation of Labor at its meeting last week.

Any such commission, it was declared, will not be official, nor will it have any authority whatever to speak for the American Federation of Labor.

Affiliated unions were requested not to contribute in any way to send any self-constituted commission to Russia.

ONTARIO AND THE WEST

London Free Press: "A Londoner who has just returned from the West is much exercised over the feeling he has found on the prairies against the East, and paricularly Ontario. He says that immediately he announced he came from Ontario he was met with a barricade of abuse. Finally, for the sake of peace, he declared that he hailed from Prince Edward Island, the province in which he was born.

Unfortunately, the people of the West gather their impressions in regard to Eastern Canada from the press and the utterances of the public men of Montreal and Toronto. If they only knew the truth, these two great centres no more represent the feeling of the average man in Ontario and Quebec than Winnipeg reflects the feeling of Halifax. As a matter of fact, Toronto and Montreal usually misrepresents the sentiment of the people of Ontario and Quebec.

UNPRECEDENTED GRAIN MOVEMENT

MONTREAL.—An unprecedented volume of grain passed through the Lachine Canal during the month of June, a figure just short of 26 million bushels having been received. In all 25,918,312 bushels of grain were shipped through from the lakes. This exceeds the highest monthly carryings for last year by four millions--last October's figures being just 22 millions.

The Crisis in N.S. Steel Industry

Published down in Halifax, the Maritime Merchant takes an optimistic viewpoint of the British Empire Steel crisis. It says:

In the past few weeks the people of the Maritime Provinces, particularly those in the centres where the operations of the British Empire Steel Corporation are carried on, have been greatly disturbed by events which have happened in connection with companies which form parts of this great concern. The failure of the Dominion Iron and Steel Company to meet its bond interest and the postponement of bond and debenture interest payment by the Nova Scotia Steel and Coal Company have been very serious developments indeed, not only because many Maritime people temporarily at least suffer some loss of income, but because of uncertainties that have arisen in the minds of business and working men with respect to the continuance of these industries. We have had many shocks in the past few weeks in this connection, and some very startling bits of information have come out, and it is small wonder that the minds of our people have been so uneasy.

But we think the situation is not as serious as some may imagine. The appointment of a receiver for Dominion Iron and Steel is in itself a reassuring thing; for this does not mean liquidation, but the perpetuation of the industry as a going concern. The National Trust Company finds the plant in good order, but in need of new business, and this need is one of the things to which it is giving attention as receiver and manager. We are encouraged by being told again that steel can be manufactured at Sydney cheaper than anywhere else in the world. Efficiency managed, the manager of the National Trust Company finds, the steel plant at Sydney should work double shift all the year round and its products should be sold in every corner of the globe. Another encouraging fact is that the employees of Dominion Iron and Steel in the present extremity show a good esprit de corps, which leads to the hope that in the future operations of the company, the management will have a sympathetic backing on the part of all concerned.

Markets, however, constitute the main problem at present. Given the markets, and the rest will be plain sailing. It is a remarkable thing that in the quarter of a century during which it has been in operation success should so suddenly depart from the enterprise now. But there are various reasons. One is that the market in central parts of Canada which the company once had has largely disappeared by the fact that the Steel Company of Canada, which operates so sucessfully that it continues to pay a 7 per cent. dividend, has embraced within it concerns which formerly were large buyers from Sydney. Worst of all, perhaps, is the present competition of iron and steel from European sources which finds an easy entry into the country by virtue of depreciated exchange. The peculiar conditions of the times make it peculiarly difficult for this industry, which will be in a better position as affairs elsewhere become more normal. Where the market will be found for Dominion iron and steel is not stated, but in view of producing conditions it seems possible, in spite of such adverse conditions as there are, that sufficient business can be found to give the industry a fresh start.

The situation in Scotia is somewhat different. The interest payment is only postponed, though the money is not immediately in sight for application to this purpose. The fact is that during 1925 there was a net loss for Scotia and its constituent companies of almost $1,500,000, of which about $1,300,000 was for the Steel Company alone. It appears that in the past five years there has been a reduction in the current assets of Scotia and its subsidiaries of nearly $8,500,000. On the other hand an amount of about $6,000,000 on reparations account is expected from the Federal government at some time, and if it should be available soon there would be no difficulty about the interest payment on the bonds and debentures. Meantime the debenture holders have organized to protect their interests and there is some talk of a movement to separate Scotia from the other interests and let it function independently again. The people of New Glasgow are particularly interested in this proposal, for there has been some feeling that Scotia has been sacrificed to the interests of Dominion Iron in the administration of Besco. There is a fear that the continuation of Scotia in Besco may lead to the eventual complete closing of the steel works at Trenton, which would be ruinous to the town of New Glasgow. However, whatever may happen, there will surely be something done to ensure the continuance of the industry in Pictou county, which depends so much upon it.

While the financial statement of Scotia's affairs recently issued, presents the startling features to which we have referred, and while there are many considerations of a serious nature in Mr. Wolvin's report, the facts are that there are great assets behind Scotia. It is pointed out that "Scotia owns the largest part of the iron ore deposit at Wabana, Newfoundland, regarded as one of the most valuable in the world. The company has valuable coal leases in North Cape Breton, controls the Eastern Car plant, the steel plants at Trenton and Sydney Mines, and has a controlling interest in the Acadia Coal Mines in Pictou Co., and is also owner of large and valuable timber areas on the mainland."

As we have said, the developments of these recent days have been startling in their nature and we have heard more about Besco in the last week or so than at any time since it was organized. But the indications are that affairs are being taken in hand in good time, and we feel sure that a reorganization will yet be effected that will assure the permanence of these industries. While our hearts have almost failed us recently because of the rumors that have been going, we believe now that in the course of a comparatively short time our steel industry will once more be in a flourishing condition as it was once before.

100 Leading Stocks

The new Greenshields Analysis gives 14 important facts on approximately 100 Canadian issues, including such important data as

Capitalization,
Working Capital,
Earning Power,
Dividend Record.

Write for Analysis 4

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6

ELECTRICAL REFRIGERATION

and its investment possibilities

We have prepared for distribution a very complete analysis of the Canadian market possibilities and the outlook for this gigantic new industry, which is still in its infancy.

Electric refrigeration will make fortunes for those who keep pace with development and we suggest that you send for a copy of this survey at once.

Walter T. Smith & Co.
LIMITED
INVESTMENT BANKERS
330 BAY STREET, TORONTO

City of Edmonton, Alta.

Twenty-year 5½% Bonds

Dated June 1, 1926 Due June 1, 1946

Principal and half-yearly interest payable in Toronto, Montreal, Edmonton and New York.

Denominations: $1,000, $500.

Edmonton is the Capital of the Province of Alberta and is the principal financial, commercial and distributing centre for a large portion of central and northern sections of that Province. The City's bonds provide a favorable investment opportunity.

Price: 101⅜ and interest, yielding 5⅜%

Fully descriptive circular gladly furnished upon request.

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INVEST YOUR SAVINGS
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News of the Investment Market

THE NATIONAL CITY COMPANY CANADA

What the Market Offers

If you would like to have before you a diversified list of high-grade bonds available at this time, let us send you the current issue of our monthly booklet "Investment Securities."

Due to our world-wide connections we are able to offer an extensive list for your consideration.

Following are a few of our recommendations:—

Dominion of Canada
Guaranteed
(Issued by C.N.R.)
5% Bonds due February 1, 1954
Price to yield about 4.86%

Government of the Argentine Nation
6% External Bonds
Due May 1, 1960
Price to yield about 6.02%

Imperial Japanese Government
4% Sterling Loan
Due Jan. 1, 1931
Price to yield about 6.00%

Canadian Pacific Rly.
4½% Note Certificates
Due December 15, 1944
Price to yield about 5.02%

Duke-Price Power Company
6% Bonds due May 1, 1966
Price to yield about 5.83%

Paton Manufacturing Company
6% Bonds due May 1, 1953
Price to yield about 5.85%

New York Steam Corporation
5% Bonds due May 1, 1951
Price to yield about 5.90%

The above bonds are offered subject to prior sale and change in price. Orders may be telegraphed or telephoned at our expense. Upon request we shall be glad to send a copy of the booklet mentioned above.

Write our nearest office.

The National City Company
Limited
Head Office
MONTREAL
St. James and St. Peter Streets

TORONTO, 10 King Street East
OTTAWA, 204 Blackburn Building
QUEBEC, 71 St. Peter Street

STOCK EXCHANGES FED NEW ISSUES BY BIG BANKERS

Supply of New Listings Recruited From Investment Firms

Canadian stock exchanges have recruited their new listings from investment houses during the past few years. Most of the securities, newly listed at Toronto or Montreal, are issues created by financing or re-financing operations of the houses whose chief function it is to bring corporations and investors together.

Consider the score of new stocks added to Toronto and Montreal boards since last fall. A dozen of these are new securities; securities recently created by the financial operations of the investment houses in supplying funds for the organization and reorganization of Canadian industries, etc.

Arranging for Listing

To-day it is the policy of many of the investment houses in bringing out new issues to arrange for their early listing. Some houses provide, in connection with such issues, that they shall be listed as soon as listing papers can be made out and filed with the exchange and the listing approved. They feel that the best way of providing a wide market for the stock in the interests of shareholders is through the established stock exchanges. One such house has sponsored at least twenty companies, whose securities are on the Toronto Stock Exchange.

Other houses have listing in mind in connection with their issues, but do not promise early trading on the stock exchanges. Rather, they give the issue a chance to be fully digested, placed in the hands of permanent rather than transient holders before listing. Their view is that listing the stock gives speculators too great an opportunity to run quotations up or down to suit their own purposes and does not give ample protection to the legitimate investors.

There are, too, some houses which seldom list the stocks they sell. Instead, they maintain a market for the stocks by trading departments at their various branches and by constant buying and selling among their clients. These houses are, in some cases, so large that their daily trading sheets are almost as large as the stock exchanges themselves and their issues are usually readily marketable through the channel of the house itself.

Presence of the phrase "Application will be made to list these securities on the Toronto and Montreal Stock Exchanges" is becoming increasingly important as an inducement to investors to buy new issues. But absence of the statement in a prospectus is no proof that the issue will later lack a ready market. In either case the market will, to a great extent, depend upon the reliability, strength and good faith of the issuing investment house.

Ore receipts at the Trail Smelter of the Consolidated Mining & Smelting Co., for the period July 8, to July 14, inclusive, totaled 9,084 tons, and for the years to date, 295,389 tons.

Big Loans of South America Next Phase to Bond Market

By S. J. ZACKS,
Staff Representative of The Financial Post.

NEW YORK.—The New York investment market becomes a distinctly more competitive one. Competition in foreign municipals and public utilities becomes keener. It is now thought that the next big move will be in this field. The margin of profit in municipals has dwindled to almost zero, and many of the large banking houses are even turning to the Canadian municipal field, which is considered a highly competitive one; yet not as competitive as the American field. American public utilities and railroads have been favorable for some time past, but as one prominent American banker expressed himself, "We like this field, because it was purely American, but these are really the public's businesses, and as a result of the really competitive condition which has developed in the business, we have decided to keep out."

"What looks better?" In answer to this questin, The Financial Post representative was informed that for the past year or so European municipals, industrials and even public utilities are coming into public favor. Americans have watched offerings of Argentine, Brail, Czecho-Slovakia, Germany, etc., being taken up in New York by London, on account of the higher yields in New York. Some of these bond houses such as the Czecho-Slovakia, of which London was a heavy buyer during the past year. have advanced over 10 points. Of course, U. S. has only become a creditor nation since 1914, and has been paying for its inexperience. Undoubtedly the prejudice against Europeans and South America securities is wearing down and each new offering will find a wider following.

The recent announcement that half the $60,000,000 United Steel Works issue would be offered in European money markets, has caused considerable comment. This is the first big financial undertaking since the war, which has not been left almost entirely to American money markets. This raises the question of future financing and the extent to which some of the Europeans will be able to take care of themselves. This will, no doubt, become an even more serious source of worry as to what will become of the fastly growing American surpluses.

What promises to afford a temporary immediate outlet for some of the American surpluses is the $250,000,000 financing to be undertaken by several of the South Americans between now and the end of August. It is said that Chile is seeking a loan of approximately $100,000,000 in Wall St. There has been considerable discussion also of a $40,000,000 loan for a Colombian railroad, for which there has been agitation by the coffee interests because of the drought on the rivers. When the vice-president has been sworn in on August 7. it is expected that something definite will be done. Peruvia and Bolivia are also, it is understood, negotiating loans at the present time in New York. This will mark a new era in South American financing.

BRICK CAPITAL UNCHANGED

MONTREAL.—A denial of an impending capital reorganization of the National Brick Company has been made, and it is also stated that the present business which is being experienced is more satisfactory than current rumors indicate.

Total Assets in excess of $600,000

DOMINION FINANCIAL CORPORATION
LIMITED
232 St. James Street
Montreal

Mortgages Purchased

Diesel Engine Security Offered in Vancouver

Fidelity Securities Corporation of Vancouver is offering $100,000 of notes of the Asser Diesel Engines (1926), Limited.

Asser Diesel Engines (1926), Limited, is manufacturing Diesel engines. This company is now operating its plant on Granville Island, and, although only recently opened, has already a large volume of business on hand. The company owns the patent rights for the Asser Diesel engines for the Dominion of Canada, Great Britain, United States and France. The directors of the company consist of a group of well-known Vancouver business men.

Notes pay 8 per cent and run for 15 years. A bonus of 50 per cent. in common stock is offered.

$100,000
ASSER DIESEL ENGINES (1926) LTD.
8 per cent. notes. 15 year notes.

Company—Operates plant on Granville Island, Vancouver, building Diesel engines under Asser patents.

Offered—July, 1926, by Fidelity Securities Corporation, Vancouver. Price: par with 50 cent. bonus of common stock.

Pacific Coast Fish Company, Reorganized, Offers Stock

A new company has been incorporated to take over the Pacific Coast Fish and Oyster Corporation, and, under the name of Pacific Coast Fish and Cold Storage Company, is offering $250,000 of its preferred shares in Vancouver.

$125,000
PACIFIC COAST FISH AND COLD STORAGE, LIMITED
8 per cent. cumulative preferred shares.

Company—Reorganization of Pacific Coast Fish and Oyster Corporation.

Purpose of issue—To erect saltery and buy new equipment.

Offered—July, 1926, by company with bonus of 20 per cent. in common.

Capitalization. No bonds.

Common shares	125,000
Preferred stock	$125,000

Michigan State Banks Buy Bloor Building Bonds

Participation of Michigan state banks in Toronto city development is a feature of the response of investors to the recent offering of $650,000 of bonds on the Bloor Building, in course of erection at Bay and Bloor Streets, Toronto. The issue has sold very well, the United Bond Company informs The Financial Post, and about half of the bonds have already been placed, many, as stated, with banks in Michigan. In the States banks invest largely in this type of security.

The "Bloor Building" will cost, with the land, more than $1,200,000, and thirty-eight shops and stores will be to rent on the first two floors, with offices in the remaining four storeys.

This Week's Bond Sales

Marysville, N.B., Issue

J. M. Robinson & Sons were awarded an issue of $70,000, Marysville, N.B., 5½ per cent. 25-year school bonds at 100.50.

Montreal Protestant School

A syndicate composed of Bell, Gouinlock and Co., McLeod, Young, Weir and Co., and Mead and Co., were awarded the issue of $1,400,000 serial bonds of the Montreal Protestant Central School Board, maturing from 1927 to 1956, on a bid of 99.15. Only two tenders were received, the other being from a syndicate comprising the Bank of Montreal, Hanson Bros., Harris, Forbes and Co., and National City Co., who tendered 98.81 for the bonds.

Town of Chicoutimi Bonds

The Town of Chicoutimi bond issue of $215,000, bearing interest at 5 per cent. and maturing serially from 1 to 30 years, has been awarded to Rene T. Leclerc, Inc., at 98.00. Other tenders submitted included:

Credit Anglo-Francais, L. G. Beaubien & Co., Corporation des Obligation Municipales	96.48
Corporation de Pret de Quebec	96.26
Versailles, Vidricaire, Boulais	95.91
Provincial Securities, Credit Canadian, and Bray, Caron and Dube	94.95

HALTON COUNTY

Following is a list of tenders received by the County Council of Halton for fifteen year 5 per cent. debentures, $18,000 Halton County's share in erecting bridge over the sixteen mile creek at Oakville. The accepted tender is that of MacNeill, Graham and Co., 99.572.

MacNeill, Graham & Co.	99.572
Stewart, Scully & Co.	99.56
Municipal Bankers Corp.	99.53
Dyment, Anderson & Co.	99.50
Dom. Securities Corp.	99.41
C. H. Burgess & Co.	99.34
McLeod, Young, Weir & Co.	99.12
Royal Securities Corp.	99.07
Gairdner & Co.	99.07

Town of Dunnville Issue

An issue of $45,000, Town of Dunnville, 5 %, 10-instalment bonds, has been awarded to Wood, Gundy & Co., at a price of 99.10, or on a cost basis of 5.18 per cent. The bids were:

Wood, Gundy & Co.	99.10
Toronto Bond Exchange	99.00
Municipal Bankers' Corp.	98.86
Bell, Gouinlock & Co.	98.80
Dyment, Anderson & Co.	98.68
Harris, MacKeen & Co.	98.56
Stewart, Scully & Co.	98.08
C. H. Burgess & Co.	98.89
Gairdner & Co.	98.83
Royal Securities Corp.	98.77
R. A. Daly & Co.	98.59

New Westminster Bonds

Fry, Mills, Spence & Co., and Gillespie, Hart & Todd, of Vancouver, were awarded an issue of City of New Westminster bonds in two blocks, one being $27,500, 10-year, 5 per cent., and the other $60,000, 20-year, 5 per cent. The price paid was 97.47. Following are the bids:

Fry, Mills, Spence & Co., and Gillespie, Hart & Todd	97.47
R. P. Clark & Co.	97.18
Waghorn, Gwynn & Co.	96.78
Victor W. Odlum & Co.	96.78
B. C. Bend Corp.	96.32
A. E. Ames & Co.	96.05
Bank of Montreal	95.77
Bank of Commerce	95.45
Royal Financial Corp.	94.95
Can. Financiers Trust	94.51

Brampton Debentures

An issue of $43,000, Town of Brampton, 5 per cent., 30-instalment debentures has been awarded to Gairdner & Co., at 99.272, which is equal to a cost basis of 5.06 per cent. Following are the bids:

Gairdner & Co.	99.272
Wood, Gundy & Co.	99.15
R. A. Daly & Co.	99.13
Dyment, Anderson & Co.	98.91
Bell, Gouinlock & Co.	98.80
Stewart, Scully & Co.	98.825
Municipal Bankers Corp	98.78
Royal Securities Corp.	98.71
C. H. Burgess & Co.	98.64
H. R. Bain & Co.	98.27
Macneill, Graham & Co.	98.13
Fry, Mills, Spence & Co.	98.28

Sandwich Sells Bonds

Wood, Gundy & Company have been awarded an issue of $80,000, Town of Sandwich, 5½ per cent., 20-instalment bonds, at 100.62. The bids were:

Wood, Gundy & Co.	100.62
C. H. Burgess & Co.	99.57
Municipal Bankers Corp.	100.43
Bell, Gouinlock & Co.	99.25

GATINEAU POWER MAKES ITS BOW BY NEW OFFERING

$25,000,000 Bond Sold to Yield 5.4%—First Investment of New Power Co.

From Our Own Correspondent.

MONTREAL. — Headed by Harris, Forbes and Company, a group of investment bankers is offering this week a $25,000,000 bond issue of the Gatineau Power Company, the wholely owned subsidiary of the International Paper Company. There has been a demand for the bonds in New York, but the officers of the parent company insisted on placing as much of the present issue in Canada as this market would absorb.

One of the chief features of the issue is the fact that it illustrates well how readily power is absorbed; already 90 per cent. of the primary power which will be available from the four plants has been purchased under long term contracts.

The company is in the midst of a development program on the Gatineau River. It owns, also, the Kipawa plant on the Ottawa River, which will shortly have a total production of 24,000 h.p. At the moment, two other developments are being erected at Farmers Rapids and Chelsea on the Gatineau. The former plant will have an initial installed capacity of 92,500 h.p., whilst the latter will have 131,000 h.p. These two plants will be in operation early in 1927.

Starting at Paugan Soon

Work will begin on the fourth power site at Paugan Falls on the Gatineau this autumn, and the plant will be producing 150,000 h.p. by the autumn of 1928. Thus, the aggregate installed capacity of the power sites by the end of 1928 will amount to 397,500 h.p. The capacity of the Farmers Rapids and Chelsea plants can be increased by one-fourth by the addition of further generating units.

More Bonds Will be Sold

There are $12,500,000 more bonds outstanding than are being offered at present, but this additional $12,500,000 in bonds, together with cash and other securities, is being held in escrow as a guarantee that the projects will be completed. The International Paper Company has agreed to find purchasers for these bonds as additional cash is required, and has also agreed to provide any additional funds which may be necessary for the completion of the initial development program.

Under the trust deed, no further funded debt may be incurred against the development of a total initial capacity of 397,500 h.p.; further issues of bonds for future developments can only be made under the conservative restrictive clauses set forth in the trust deed.

The company has entered into several power contracts, chief of which is one with the Ontario Hydro Electric Commission which calls for the delivery of 80,000 h.p. in 1928, with a gradual increase until a total of 260,000 h.p. is reached in 1931; the latter amount is to be maintained throughout the life of the contract, 30 years in all.

In addition, the Canadian International Paper Company has entered into an agreement to purchase 74,000 h.p. for thirty years, and the Canada Cement Company has contracted for 3,000 h.p. for 15 years.

$25,000,000
GATINEAU POWER COMPANY
5 per cent., 30 year, first mortgage bonds.
Dated June 1, 1926. Maturing June 1, 1956.

Property—Four power plants with an installed capacity of 397,500 h.p., and an ultimate capacity of some 500,000 h.p. with power sites having a total potential capacity of 700,000 h.p.

Value—Estimated to be largely in excess of bonds and debentures to be outstanding.

Earnings—By 1931, earnings from Ontario Hydro Electric Commission alone will be equal to 1.8 times the bond interest. Earnings before the completion of the Paugan plant are estimated to at 1.7 times the interest requirements.

Security—First mortgage on the properties.

Capitalization—	Outstanding
Common (no par value)	500,000 sharesx
Preferred, 6 p.c. cumulative	$25,000,000x
6% Sink. Fd. Gold Debentures, due 1941	$12,500,000
1st Mort. Gold Bonds, 5% Series due 1956	37,500,000

xAll owned by International Paper Company except directors' qualifying shares.

Sinking Fund—Commences 1927; equal to ½ per cent. of the largest amount of bonds outstanding at any one time.

Offered—July 1926, by syndicate headed by Harris, Forbes and Co., Montreal; Drury and Co., Montreal; Royal Securities Corp'n., Montreal; Dominion Securities Corp'n., Toronto; Nesbitt, Thomson & Co., Montreal; Rene T. Leclerc, Montreal; Wood, Gundy & Co., Montreal; Hanson Bros., Montreal; A. E. Ames & Co,. Toronto; National City Co., Montreal and Greenshields & Co., Montreal.

Price: 94 to yield over 5.40 per cent.

We offer
$200,000
Asbestos Corporation
Limited
6% General Mortgage 30-Year Sinking Fund Bonds

ASBESTOS CORPORATION LIMITED includes the following Companies:—

ASBESTOS CORP. OF CAN. LTD.
CONSOLIDATED ASBESTOS, LTD.
FEDERAL ASBESTOS, LIMITED.
THETFORD VIMY, LIMITED.
MAPLE LEAF ASB. CORP. LTD.
ASBESTOS MINES, LIMITED.
BLACK L. ASB. & CHROME, LTD.

The present offering is a portion of an issue of $4,784,135 General Mortgage Bonds, guaranteed by a mortgage on all the assets of the Company, valued at over $20,000,000, and subject only to a prior issue of $3,000,000 of First Mortgage Bonds.

Price to yield 7%
Full particulars on request.

ESTABLISHED 1910
CREDIT-CANADA
Limitée
Investment Bankers
120 St. James St., Montreal
MAIN 4191★

SEPARATE SCHOOLS MONTREAL, TORONTO

Comparison of Two Issues Possible Because of Simultaneous Offering

Practically simultaneously offering is being made of an issue of bonds of the Montreal Protestant Central School Board and the Toronto Separate School Board. The coincidence invites comparisons of the two organizations. Montreal and Toronto are Canada's two largest cities. Montreal is predominantly Roman Catholic. Toronto is predominantly Protestant. Therefore, the Protestant schools of Montreal represent the minority group, while the Roman Catholic Separate Schools of Toronto represent the minority in that city.

In Montreal the Protestant board governs schools not only in Montreal city, but in outlying municipalities. It is a much larger organization than the Toronto Separate School Board.

The Montreal offering by Bell, Gouinlock & Co., Mead & Co., and McLeod, Young, Weir & Co., may be condensed as follows:

$1,400,000
MONTREAL PROTESTANT CENTRAL SCHOOL BOARD
Dated May 1st, 1926. 5 per cent. bonds.
Due May 1st, 1927-May 1st, 1956.
Condensed Financial Statement

Assessed value of taxable Protestant property,	$241,344,964.00
Total bonded debt	12,209,267.98
Less sinking fund	1,450,000.00
Net debt	$ 10,759,267.98
Values of school board's assets	14,266,137.72

School tax rate—Neutral panel, 12 mills; Protestant panel, 10 mills.

The Montreal Protestant Central School Board was incorporated April 3rd, 1925, to consolidate the finances of the Protestant school boards of the municipalities in and around the Island of Montreal.

The Montreal Protestant Central School Board is comprised of the following school municipalities:

Montreal, Westmount, Lachine, Verdun, Coteau St. Pierre, St. Laurent, Mount Royal, Sault-au-Recollet, Pointe-aux-Trembles, Hampstead, Outremont.

The constituent municipalities are jointly responsible for the amount of school taxes payable by them to the central school board. These taxes are collected by the city treasurers of the various municipalities in the same manner as the municipal taxes, and are paid by them to the Protestant central school board quarterly. These quarterly payments are made for the full amount of the municipality's school levy, irrespective of the amounts collected by the individual municipalities.

Price, 100½. Yielding nearly 5 per cent.

The Toronto offering by C. H. Burgess and Company is here summarized:

$100,000
TORONTO SEPARATE SCHOOL BOARD
5 per cent. bonds, maturing 8th June, 1946.
School Board Statistics

Assessed valuat'n for taxat'n, 1926	$46,353,158
Total debenture debt	2,140,000
Less sinking fund	411,142
NET debenture debt	1,728,858
Total assets of school board	3,050,711

Tax levy, 1924, $581.137 Tax levy 1925 $558,629
Total amount of taxes received, 100 per cent.
Population 55,000. No. of schools 36.
Average attendance 10,126.

In the City of Toronto there are two school boards. The Toronto separate schools are administered by a school board elected by the supporters of separate schools in the same manner as the public school board is elected by supporters of public schools. The City of Toronto collects the taxes and pays to the school board the funds required for operating the schools. There were no arrears of taxes due the school board from the 1925 levy.

Price: 100.64. Yielding 4.95 per cent.

Christie, Brown Redeem Further Block of Bonds

Christie Brown and Co., Ltd., have redeemed an additional $100,000 of the company's first mortgage 6 per cent. bonds. This leaves only $700,000 of bonds now outstanding of which, it is expected, $50,000 more will be retired by Jan. 1, 1927. The company's plan calls for the redemption of the entire issue by the close of 1927. The company's reports show current sales are more than 20 per cent. in excess of 1925. An initial dividend of 30 cents a share has been declared on the common stock payable August 1, 1926, to stock of record July 15, 1926. It was also announced that more than 2,000 shares of the 10,000 shares of preferred stock originally issued have been converted into common stock.

WILLIAMS, PARTRIDGE & HODGSON LIMITED
Investment Bankers
171 St. James St. MONTREAL

ROBERTS, CAMERON & CO.
LIMITED,
Canadian Government and Municipal Bonds.
Listed Stocks.
Adelaide 3486-7-8.
Northern Ontario Bldg., TORONTO.

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO.

DOMINION POWER
PREFERRED AND COMMON
Bought and Sold
Browning, Harris, Denman & Co.
LIMITED
Investment Bankers,
31 Main Street E., HAMILTON
Toronto Private Line Adel. 8865.
Offices at London and Belleville.

Town of Chicoutimi
5% Serial Bonds
1927 - 1956
Denominations of $500

The Town of Chicoutimi is surrounded by one of the richest agricultural regions in the Province of Quebec, and is the economic centre of the Saguenay and Lake St. John district. This region has abundant forests, water power, navigable rivers and a large natural harbour.

Among the Companies who have already taken advantage of these resources are the Quebec Pulp & Paper Co., Price Bros., Port Alfred Pulp & Paper, Duke-Price Power and the Aluminum Company of Canada.

Enterprising business men and skilled laborers are steadily locating in the Chicoutimi district. This coupled with its natural resources indicate that Chicoutimi will experience an intensive development in the future.

Price 100 and interest to yield 5%.

RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 71, St. Peter St.
(ESTABLISHED 1901)
E207

QUEBEC APARTMENTS LIMITED
6½% 1st Mortgage Bonds
1940
Inquiries Solicited
Ernest Savard, Limited
Investment Bankers
171 St. James St., Montreal, Harbor 5253-9
71 St. Peter St., Quebec, Phone 2-6486.

BONDS FOR INVESTMENT
HOUSSER, WOOD & CO.
LIMITED
Investment Bankers
ROYAL BANK BLDG. TORONTO

HW **HAMILTON, WARNER & Co.**
BONDS
Government
Municipal
Corporation
Transportation Bldg.
MONTREAL

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees
Savings Department
Real Estate Department
CHARTERED TRUST & Executor Company
46 King St. W., Toronto

P. H. SKELLY & COMPANY
LIMITED
INVESTMENT SECURITIES
71½ SPARKS ST.
OTTAWA, ONT.
QUEEN 6840 QUEEN 6841

POWER

The Avon River Power Company, Ltd., owns and operates the Hydro-Electric Power plant on the Avon River, Nova Scotia, with a capacity of 2600 h.p. A second power site, two miles further up the river is now being developed and on its completion the Company will have a total installation on the Avon River of approximately 5600 h.p. This, together with the property acquired on July 1st, the Gaspereaux River Light, Heat and Power Company, Ltd., with 1100 h.p., gives them a total of 6700 h.p. This is to be disposed of to the numerous municipalities and industries in the neighborhood.

We recommend this Company's 5½% bonds as a safe investment.

Ask for descriptive circular.

JOHNSTON AND WARD
14 King St. East, Toronto
Members } Montreal Stock Exchange
Toronto Stock Exchange

Municipal and Provincial Finance

G & Co LTD

The

"St. George"

7% First (Closed) Mortgage 20-Year Sinking Fund Gold Bonds

The "St. George" Apartments are located in the centre of Toronto's oldest and most desirable residential districts, directly opposite the York Club. It is close to Queen's Park, the University of Toronto and the Provincial Government Buildings. It is estimated that the net revenue from rentals will be twice the interest requirements on the Bonds.

Price: 100 and accrued interest, to yield 7%.

Send for complete circular.

Gairdner & Co.
Limited
312 BAY STREET - TORONTO 2

MURRAY & COMPANY
Specializing in
Government Municipal and Corporation Bonds
METROPOLITAN BLDG.
ADELAIDE 6077-78 TORONTO

Revenue From Liquor Trade Grows in British Columbia

British Columbia's liquor business is growing fast.

Liquor profits for the six months ending March 31 last totalled $1,780,668, an increase of $229,403 over the profits for the previous six months, when the figure stood at $1,551,265. At this rate the year ending September 30 will net the province $500,000 more than any previous year.

Peace River Town Has No Debts Outstanding

The town of Peace River occupies the unique position of being probably the *only town* in Alberta which has neither current liability or debenture indebtedness. This condition is in sharp contrast with three and a half years earlier, when the town's indebtedness was $33,000, and interest charges were so heavy a drain that it seemed a hopeless task to attempt to rescue the debt.

Tenders and By-laws

July 24.—Kenora—$12,687, 5½ per cent. sinking fund debentures, and $16,636, five per cent., due 1953. F. J. Hooper, treas. (See announcement on page 16.)

July 27, Town of Bedford, P.Q.—$30,000, 5 per cent., serial bonds. F. Fortin, sec.-treas.

July 24, Chippawa.—$67,500, 20-instal. debentures for paved streets. J. G. H. Youngs, clerk. (See announcement on page 16.)

August 3rd—School Commissioners of Hull, P.Q.—$200,000, 5 per cent., serial debentures. Joseph Provost, Secretary-Treasurer.

UNLISTED BONDS

Abitibi 6% 1940	102¾	..
Algoma Steel 5% 1962	29¼	30½
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	100	100¾
Burns, P. & Co. 6½% 1943	103⅛	104
Can. National Rly. 5% 1954	101	101⅝
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942	104¾	105
Can. Pacific Rly. 5% 1934	99¾	100¼
Can. Pacific Rly. 5½% 1944	93⅜	94
Can. Steel Foundries 6% 1936	102	..
Dom. Iron 5% 1939	..	40
Dom. Textile 6% 1949	106¾	..
Elect. Develop. 5% 1933	100⅜	..
Frontenac Brewery 6% 1951	97¾	99¼
Fraser Companies 6% 1950	96¾	98
H. Smith Paper, 7% 1941	100	100⅝
Laurentide Power 5% 1946	100	..
Laurentian Power 6% 1936	100¾	..
Prov. of Ontario 5% 1948	101¼	102
Ontario Pulp 6% 1931	106¾	..
Price Bros. 6% 1943	103⅜	103⅞
Quebec Power 6% 1953	103½	..
Winnipeg Elec. 6% 1954	95¾	96⅝
St. Maurice Power 6½% 1953	108½	..
Jam. Pub. Service 6½% 1943	102½	103½
Span. River P. 8% 1941	107	107½
Ottawa Mtl. Pr. 6½% 1949	101	..

IMPROVEMENT TAX IN SASKATCHEWAN IS URGED BY SMITH

Head of Provincial Municipal Bureau Discusses Local Problems

REGINA.—Addressing the Union of Saskatchewan Municipalities, J. J. Smith, Deputy Minister of Municipal Affairs, dealt with some aspects of municipal finance, which he said is a branch of public finance dealing with the provision, custody and disbursement of the funds required for the conduct of public business.

"The division of authority in the levying of taxation in Canada is fixed by the British North America Act. Under this act the Dominion government has the exclusive right to levy indirect taxes, such as customs and excise duties, and it is further authorized to raise money by any mode or system of taxation. The Dominion government, therefore, has the right to levy direct taxes and license fees and has availed itself of this right to a very considerable degree since the year 1915. It now derives large revenues from income tax, first imposed in 1917, and from taxes on bank circulation, on the income of trust and loan, insurance and other companies and on telegrams, railway tickets, sleeping car berths, promissory notes, cheques, postal notes, money orders, letters and receipts.

"The provincial legislatures are restricted by the British North America Act to direct taxation within the provinces and shop, saloon, auctioneer and other licenses. The Dominion subsidies represent the compensation granted to the provinces in return for the loss of the right to customs and excise duties enjoyed by the colonies prior to confederation. The municipalities obtain their right of taxation from the provinces and can impose only such taxes as they are authorized by the legislature to impose. In this province the taxes in cities and towns are levied on land, including improvements, income and special franchises. Land is assessed at its fair actual value and improvements thereon at not more than sixty per cent. of their fair, actual value. In villages the taxes are levied upon land, including improvements, business and income. In villages land is assessed at its fair, actual value and improvements at sixty per cent of their actual value. In rural municipalities the taxes are imposed upon land, except in the case of hamlets where they are levied upon buildings and business in addition to land on the same basis as in villages."

Chief Revenue is From Land

Mr. Smith then gave two tables, one showing the comparative revenues received by the cities of the province from the different sources of taxation in the year 1924; the other showing the revenues received from the different sources of taxation in the four classes of municipalities of the province.

"Over 99 per cent. of the taxes in rural municipalities," said Mr. Smith, "are derived from land. While public opinion in rural areas is at present strongly opposed to the levy of taxes upon any other source of wealth than land, I am personally of the opinion that with the increase in population and the development of diversified farming which is bound to come in this province land cannot continue to bear the burden.

"The burden of taxation is much heavier on buildings and business in the smaller urban municipalities than it is in the larger. The burden of taxation on land is nearly three times as heavy in cities as it is in villages, while the burden on improvements and business is very much less. The tax burden on real property and especially on land in our cities and larger towns is much heavier than it should be.

"The percentages of taxes borne by real property in the cities of Saskatchewan are as follows: Regina, 86.07; Weyburn, 86.91; Prince Albert, 87.33; Mose Jaw, 89.44; Swift Current, 91.00; Saskatoon, 91.09; North Battleford, 92.29. The Washington Census Bureau issued in 1919, states that the average proportion of the revenue of all American cities of thirty thousand or greater population that is drawn from the general property tax is 65.5.

To Broaden the Tax Basis

"How is the tax base in our urban municipalities to be broadened? I would first suggest that the assessment of improvements be increased. It will be observed that the proportion of taxes borne by improvements in the cities of Saskatchewan varies from 21.73 per cent. in the case of Regina to 39.78 per cent. in the case of Weyburn. Improvements are assessed at sixty per cent. in one city only, namely, North Battleford; they are assessed at fifty per cent. of their value in Moose Jaw and Swift Current; at forty-five per cent. of their value in Prince Albert, Saskatoon and Weyburn and at thirty per cent. of the value in Regina. In the cities of Ontario and the other parts of Eastern Canada and in nearly all the cities of the United States improvements are assessed at one hundred per cent. of their actual value. Apart from the question of public opinion in the matter, I am personally of the opinion that improvements should not be assessed at their full value for purposes of taxation. Land tends to increase in value and this without effort on the part of the owner, while improvements are subject to depreciation and in the end must be replaced by labor. For this reason improvements, in my opinion, should be assessed somewhat less than their actual value. I think, however, that improvements might easily be assessed for more than sixty per cent. of their actual value in this province. In Manitoba, improvements in urban municipalities are assessed at two-thirds of the value. It appears to me that improvements in Saskatchewan might very well be assessed as high as they are in Manitoba and I do not think any serious injustice would be done to owners of improved property if improvements were assessed as high as seventy-five per cent. of their value.

No Personal Property Tax

"Another suggestion, but one in which I do not concur, is that personal property should be assessed. It is urged that all wealth is reflected in property, whether real or personal, and that through the taxation of general property the taxing authority taps all wealth. The general property tax has proved a failure wherever it has been adopted. Leroy-Beaulieu, an eminent Frenchman who examined this tax in the United States, states that modern taxation has seldom invented a more stupid instrument; the committee on revenue and taxation of the State of Nebraska condemned it as vicious, and the committee on taxation and retrenchment of the State of New York stated that it was a failure.

"Professor Ely, of the University of Wisconsin, urges that steps should be taken to tap the income of the individual citizen through indirect taxes for municipal as well as governmental purposes. Remarking on the great increase in services demanded from governmental organizations, he strongly urges that the diffusion of benefits derived from governmental expenditure is not accompanied adequately by diffusion of the burdens, and adds that we have come to a time when in the interest of the people further progress must be met by indirect taxation, supplementing the direct taxes.

"While it is true that under the British North-America Act authority to levy indirect taxes is restricted to the Dominion government, it appears to me that if the Dominion is to continue to invade the field of direct taxation which for forty-eight years after confederation was left entirely to the provinces, some modification in the constitution should be made to permit of the provinces and the municipalities levying indirect taxes along the lines suggested by Professor Ely.

New Business in Steel Is Making Good Showing

New business in steel has made a good showing thus far in July. Most of the large plants, both producers and consumers, report business received in excess of that at the same period last year, according to Canadian Machinery.

Mid-year curtailment of operation has, of course, resulted in some slowing down in the rate maintained during spring, as shown in the June production of iron and steel in the Dominion, and it is to be expected that this gap will be still further widened in the next six or eight weeks, but encouraging factors of demand maintenance and steady operation of consuming industries are much more to the fore than in the last few years. For instance, production figures for June were considerably above those for June, 1925.

MANY NEW SETTLERS ARRIVING

EDMONTON.—Nearly 500 settlers registered at the Immigration Hall at Edmonton during June, which is about three times as many as for the same month last year. Since January approximately 3,700 settlers have arrived at the Immigration Hall in Edmonton.

B.C.'S MINISTER OF FINANCE BACKS SALES TAX PLAN

Proposes Small Tax on Turnover of Every Business in Province

Hon. J. D. MacLean, British Columbia's minister of finance, is delivering various addresses to "sell" the people of his province on his proposed turnover tax. This tax would replace the present personal property tax and seems certain of adoption.

Explaining in detail how the proposed levy would operate, Dr. MacLean said at Windsor: "Some individual businesses, such as grocery stores, would be taxed more than at present, but the increase would not be large. On the other hand, jewellers, drygoods merchants and others of that class, who do not turn over their stock so frequently, would obtain considerable relief.

"The turnover tax is based upon the volume of business done without any deductions whatever," the minister explained. "It is designed to operate as a minimum tax, and for this reason the rate would be fixed at a very low figure. The principle underlying the proposal is that there should be a tax upon the sale of commodities, and another upon the sale of personal service. This would range from one-tenth of 1 per cent. in the first case, to one-quarter or one-half of 1 per cent. in the second."

Under Dr. MacLean's proposal every person doing business in the province would be licensed by the provincial government, but no fee would be charged for such a license. There would be a minimum tax of one dollar collected from all persons so licensed. All business men would submit monthly returns to the government showing their gross earnings for the month previous, and on these they would be taxed, Dr. MacLean stated.

"At the end of the year," he said, "the business man would make out his usual income return as at present, and any payments that he had made under the monthly plan would be credited on his yearly tax bill if he were subject to income tax. If he was not subject to the income tax, the amount of all monthly instalments would be his total for that year."

The minister emphasized that he was not advocating the new turnover tax, but declared that if the province generally favored this change, the government was prepared to sponsor it.

"A dollar in 1926 has a purchasing power fifty-five cents or sixty cents as compared with a dollar twelve or sixteen years ago. Governments expend their revenues in purchasing services and, consequently, a revenue of $10,000,000 in 1924 would purchase as much service as $16,000,000 would this year."

Cars Swell Cost

Discussing the proposed new tax, Dr. McaLean emphasized that it was proposed, not as an addition to the income tax, but as an alternative to it. Any business man paying the tax on business turnover, he explained, would be entitled to deduct the amount so paid from his annual income tax.

"While there are some new factors in proposed tax, the alternative feature is at present in effect in connection with the 2 per cent. mineral tax, and the taxation upon fishing," he said. "These are alternative taxes with the net income tax, and any moneys paid under these provisions are applied on the income tax, provided the business has made enough money to bring it into the income-tax-paying class."

Japan Big Market for British Columbia Timber

A 400 per cent. increase in the volume of lumber exports to Japan over those of average years is reported by lumbering interests of British Columbia. Where in an ordinary season the volume to Japan has been ranging around 5,000,000 feet monthly, the export this season is averaging about 25,000,000 feet per month.

The Oriental Island Kingdom is now taking 90,000,000 feet of lumber monthly from the Pacific Coast, of which British Columbia gets 23,000,000 to 25,000,000 feet. The May export from ports of the province was 23,700,000; June was as good if not better, and July and August exports will be fully equal, it is stated.

Parcels continue steady to New Zealand; Australia is very quiet, and China is the same.

BOND MOVEMENTS OF THE WEEK

Week Ending July 20

Bonds—	Int. Rate	Due	Yield	Range. 1925 High	Low	Range, 1926 High	Low	Latest Price Ask	Bid	High	Low
Asbestos	5	1942	5.20	100	84¼	98	92	97¾	..	97¾	..
Can. Cement	6	1929	5.27	103¼	100	103	101½	103	102	102	..
Can. Cottons	5	1940	5.23	96	91½	97¾	95	98	97⅛	97¾	97¼
Can. Canners	6	1950	6.23	96½	90	98¼	94	..	97	97	..
Cedar Rapids	5	1953	4.89	99⅛	97	101½	98¾	101	..	101½	100½
Cons. Rubber	6	1946	5.82	101	95	102	101	101¾	101	102	..
Dom. Coal	5	1940	6.60	90	84	89½	85	..	85	85½	..
Dom. Iron	5	1929	....	94	86	92	70½	..	71⅞	71⅝	71
Montreal Trams "A"	5	1955	5.44	98	92¾	95	92½	93⅜	92⅞	93⅝	93½
Montreal Trams	5	1941	5.14	98	94⅞	98½	97	98⅜	97½	98½	..
N. S. Steel	5	1959	10.38	73½	73½	60	50	..	..	50	..
Quebec Rly.	5	1939	5.58	98	89¾	95	91⅞	94¾	94⅝	94¾	..
Rio Janeiro	5	1935	6.24	95½	82	95⅞	91½	94⅞	94¼	91½	..
Wayagamack	6	1951	6.53	98¾	84¼	93½	91¾	93¾	93¼	93½	..
War Loan	5	1931	4.67	102.65	101.10	102.40	101.15	101.55	101.40	101.20	101.15
Do.	5	1937	4.59	104.95	103.80	104.65	103.35	103.80	103.65	103.60	103.40
Victory Loan	5½	1927	4.72	103.15	101.70	101.75	100.65	101.10	101.00	100.80	100.70
Ditto	5½	1933	4.72	107.00	105.10	106.80	104.60	104.75	104.65	104.80	104.60
Ditto	5½	1934	4.98	104.80	103.20	104.10	103.10	103.45	103.35	103.40	103.10
Ditto	5½	1937	4.70	110.00	108.15	109.30	107.35	107.85	107.70	107.90	107.60
Ditto, Renewal	5½	1927	4.85	102.95	100.80	101.95	100.25	100.85	100.70	100.90	100.50
Ditto, Renewal	5½	1932	4.98	104.20	102.60	103.40	102.00	102.80	102.70	102.90	102.35
Ditto, Refund	5	1928	4.75	104.45	100.15	101.30	100.05	100.35	100.25	....	....
Do. Refund	4½	1940	4.88	97.25	92.00	96.70	95.60	96.30	96.15	96.05	....
Do. Refund	5	1943	4.84	102.95	101.15	102.20	101.15	101.75	101.60	101.70	101.40
Do. Refund	4½	1944	4.82	97.65	96.20	97.15	95.80	96.35	96.20	96.40	96.25
Do. Refund	4½	1946	4.80	.....	....	96.45	95.65	96.35	96.15	96.45	96.10

WEEKLY RECORD OF CANADIAN FINANCING

Place	Date	—Sold To—	Rate	Maturity	Amount	Price	Yield
Bond Sales—		Municipal					
New Westminster	July	Fry, Mills, Spence, and Gillespie, Hart & Co.	5%	10 & 20 yr.	$87,500	97.47	...
St. Joseph d'Alma	June	Versailles, Vidricaine & Boulais	5½%	1927-57	100,000	100.39	5.47
Dunnville	July	Wood, Gundy & Co.	5%	10-ins.	45,000	99.10	5.18
Montreal Protestant School	July	Bell, Gouinlock & Co., and Syndicate	5%	1927-56	1,400,000	99.15	5.07
Chicoutimi	July	Rene T. Leclerc, Inc.	5%	1-30 yrs.	215,000	98.00	...
Sandwich	July	Wood, Gundy & Co.	5½%	20-ins.	80,000	100.62	...
La Salle, Que.	July	Dominion Securities Corp.	5½%	1956	30,000	102.53	5.33
Brampton	July	Gairdner & Co.	5%	30-ins.	43,000	99.272	5.06
Marysville, N.B.	July	J. M. Robinson & Sons	5½%	25-yr.	70,000	100.50	5.46
Halton County	July	MacNeill, Graham & Co.	5%	1941	18,000	99.572	5.03
		Corporation					
Asser Diesel Engines (gold notes)		Fidelity Securities Corp., Vancouver	8%	15-yr.	$100,000	100	...
Gatineau Power Co.	July	Harris, Forbes and Syndicate	5%	1956	25,000,000	94	5.40
Stock Issues—							
Pacific (Coyle) Navigation	July	R. P. Clark & Co., Vancouver	7%	Pref.	$750,000	100	7.00

We recommend
PUBLIC UTILITY BONDS
Send for our Selected List
Browne, Urquhart & Co.
Limited,
180 St. James St. Montreal
Tel. Main 8011*.

MULTIPLY YOUR DOLLARS

Money invested at 7 per cent. compound interest doubles every 10 years—at 6 per cent. it doubles every 12 years—and at 5 per cent. every 14 years.

Our Systematic Monthly Savings Plan will enable you to invest while you save, in safe, sound, seasoned securities.

SEND FOR PLAN "S"

H. B. **ROBINSON** & Co. Limited
Investment Bankers
35 King St. West TORONTO ELGIN 1224
136 St. James Street MONTREAL MAIN 8542

Investment Isn't Speculation

Be sure you are not speculating when you invest. The difference is not always understood.

If in doubt — don't — is a safe rule to follow when investing.

F. H. Deacon & Co.
227 Bay St., - Toronto

TELEPHONE M 1921 OIL SHARES & LEASES
H. N. WHITE & COMPANY
INVESTMENT SECURITIES
REAL ESTATE
304 First St. West. Calgary, Canada.

LOUGHEED & TAYLOR
LIMITED
BONDS-INSURANCE-ESTATES
APPRAISALS & FARM LANDS
CALGARY,
ALBERTA.

Quebec Southern Power
Corporation
6½% First Mortgage & Collateral Trust, 20-Year Sinking Fund Gold Bonds, Due May 1, 1945
Price: 99 and accrued interest, yielding about 6.60%.
Fully descriptive circular upon request.
MATTHEWS & COMPANY
LIMITED
255 Bay St., Toronto

VERSAILLES-VIDRICAIRE-BOULAIS - LIMITED
Investment Bankers
MONTREAL QUEBEC
Quebec Municipals and Industrials a Specialty

We offer
City of Edmonton
5½% Bonds
Due Nov. 1st, 1945
Interest payable
May 1st and Nov. 1st
Principal and interest payable Canada and New York
Price: 101⅜ and interest yielding 5.39%
McDonagh, Somers & Co.
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO

We are in the market at all times for
British Columbia Municipal Bonds
British Columbia Bond Corporation, Limited
H. E. Boorman, Managing Director
VANCOUVER, B. C. VICTORIA, B. C. NANAIMO, B. C.

Municipal Bankers
Sales Corporation, Limited
Government Municipal and Mortgage Bonds
34 King Street East, Toronto

ANNOUNCE THE OPENING OF OFFICES AT
LONDON, ONT.
UNDER THE MANAGEMENT OF
C. E. Isard and R. W. Robertson
BANK OF MONTREAL CHAMBERS, LONDON

Why 5½% Bonds Are Not 6½% Bonds

Despite the persistent claims made for the safety of high coupon bonds, the basic laws which have always limited the income return from sound investment securities remain unchanged. We could not offer, successfully, 5½% Bonds in competition with 6½% and higher coupon bonds if the latter were just as sound as the former. We would not offer Bonds to yield 5½% if we could offer Bonds to yield 6½% with equal safety.

The 5½% Collateral Trust Gold Bonds of The National Debenture Corporation Limited "Secured 105% by Trustee Securities" are offered and recommended by us because we know of no other Bond yielding 5½% secured as these bonds are. We cannot offer a better Bond.

This is an Investment Trust.

G. A. STIMSON & CO.
The Oldest Bond House in Canada

G. A. STIMSON & CO., LTD.
300 BAY ST., TORONTO.

Please send full information re National Debenture 5½% Collateral Trust Gold Bonds to

I have about $.......................... to invest.
I might exchange the following Bonds:

$ Name of Bond Rate % Due Date

Insurance for Buyer and Seller

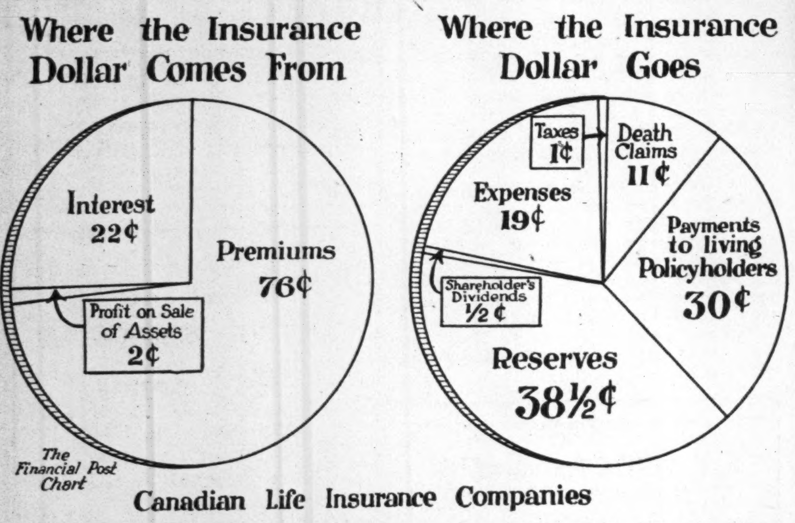
Large Part of Every Premium Goes to Building of Reserve

Invested Funds of Insurance Companies Are in Constructive Enterprises While Carrying Risk—Big Payments to Living Policyholders

What do the insurance companies do with all the money obtained from policy holders? It is only natural for the new policy holder to enquire what are the various costs incurred—how his dollar is divided up by the company once they get it.

A large part of every premium is set aside as a sinking fund or reserve. The accumulation of this reserve, aided by the growth of interest, keeps the annual costs to the assured from increasing with advancing age, and its accompanying heavier death rate. It averages throughout the lives of a given number of policy holders what would otherwise be a constantly increasing cost. The legal reserve is a mathematical quantity which by law must be maintained and increased from year to year before any other reserve may be set aside out of the assets. Legal reserves form the keystone of all life insurance assets. Reserves take about 38 cents out of the dollar. Payments to policy holders and beneficiaries, during the year in question, amounted to 41 cents out of the income dollar. This is by far the largest single item. Of immense significance is the fact the payments to policy holders are now three times payments on account of death claims. This shows the broadening scope of life insurance service as a savings promoter. Out of the balance, expenses required 27 cents. Shareholders of life insurance companies draw only one-half cent of the life insurance dollar.

It must be remembered that the cases chosen are averages of a large number. The figures are the average for all Canadian companies in 1925.



Canadian Life Insurance Companies

128 Life Agents Win Much Coveted Degree of "C.L.U".

The Life Underwriters' Association of Canada has announced the results of the recent examinations for the degree of chartered life underwriter. One hundred and twenty-eight candidates have won their "C.L.U."

Chartered life underwriter is the highest honor possible of attainment, at present, by any life insurance field man in Canada. The honor is secured by examination only. The course of study covers law, ethics, insurance fundamentals, company organization and development as well as salesmanship. Each candidate must have proved his worth by spending three years full time in salesmanship, must have the approval of his company and of the association before presenting himself for the final examination.

ALBERTA

Calgary—
- W. S. Armstrong, Sun Life Assce. Co.
- W. W. Barry, Sun Life Assce. Co.
- S. N. Carscallen, Excelsior Life Ins. Co.
- W. A. Fleming, Imperial Life Assce. Co.
- T. B. Hewitt, Sun Life Assce. Co.
- R. B. Hood, Mutual Life Assce. Co.
- E. R. Muir, New York Life Ins. Co.
- F. B. Murray, Manufacturers' Life Ins. Co.
- Miss Alice M. Pettman, Manufacturers Life Ins. Co.
- G. A. Robinson, Mutual Life Ins. Co. of N.Y.
- R. T. Williams, Imperial Life Assce. Co.

Edmonton—
- J. A. Collins, North American Life Assce. Co.
- W. F. Gold, Confederation Life Assoc.
- B. C. Thompson, Sun Life Assce. Co.
- A. L. Wright, Sun Life Assce. Co.

Lethbridge—
- M. M. Cunningham, Confederation Life Assoc.
- G. F. Davies, London Life Ins. Co.
- J. A. Isbister, Sun Life Assce. Co.

Red Deer—
- C. H. Cyr, Canada Life Assce. Co.

BRITISH COLUMBIA

Vancouver—
- F. J. Castle, Monarch Life Assce. Co.
- S. B. Fleming, London Life Ins. Co.
- Jas. Gardner, London Life Ins. Co.
- A. M. James, London Life Ins. Co.
- J. J. Mahony, Monarch Life Assce. Co., New Westminster, B.C.
- R. G. McCuish, Canada Life Assce. Co.
- H. A. Millar, Great West Life Assce. Co.
- T. M. Ryan, Sun Life Assce. Co.
- J. Waixel, North American Life Assce. Co.
- I. T. Witbeck, Sun Life Assce. Co.

MANITOBA

Beresford—
- C. S. Chapman, Manufacturers Life Ins. Co.

Winnipeg—
- R. I. Clancey, Aetna Life Ins. Co.
- E. Henselwood, Monarch Life Assce. Co.
- R. W. Hessen, London Life Ins. Co.
- Margaret M. Hignell, London Life Ins. Co.
- J. W. MacDougall, Mutual Life Assce. Co.
- J. H. O'Connor, Sun Life Assce. Co.
- F. P. Robinson, London Life Ins. Co.
- Robert Schofield, London Life Ins. Co.
- W. H. Stevens, London Life Ins. Co.
- J. A. Sully, London Life Ins. Co.
- C. S. Turner, Great West Life Assce. Co.

NEW BRUNSWICK

Moncton—
- A. R. Fraser, Maritime Life Assce. Co.
- R. C. Macdonald, Crown Life Ins. Co.

St. John—
- Hugh Cannell, Mutual Life Assce. Co.
- M. L. McPhail, Imperial Life Assce. Co.
- G. A. Warman, Continental Life Ins. Co.
- E. A. Whitebone, Continental Life Ins. Co.

NOVA SCOTIA

Halifax—
- W. B. Arthur, Sun Life Assce. Co.
- S. C. Bryson, Northern Life Assce. Co.
- R. J. Zwicker, Continental Life Ins. Co.

Sydney—
- R. MacDonald, Sun Life Assce. Co.

ONTARIO

Belleville—
- F. R. Brason, Dominion Life Assce. Co.
- S. R. Burrows, Mutual Life Assce. Co.
- G. F. Cole, Imperial Life Assce. Co.

Brockville—
- H. B. White, Sun Life Assce. Co.

Hamilton—
- R. F. Ogilvy, Mutual Life Assce. Co.
- D. G. Townsend, Mutual Life Assce. Co.
- F. Waldron, Manufacturers Life Ins. Co.

Kitchener—
- D. W. Houston, London Life Ins. Co.
- S. Oliver, London Life Ins. Co.
- O. G. Smith, London Life Ins. Co.

London—
- G. F. Copeland, Mutual Life Assce. Co.
- C. R. Myrick, London Life Ins. Co.

Nashville—
- A. Houston, Imperial Life Assce. Co.

North Bay—
- E. G. Tilt, Canada Life Assce. Co.

Orangeville—
- J. H. Sloan, Mutual Life Assce. Co.

Ottawa—
- D. G. Buckley, Sun Life Assce. Co.
- W. D. Burden, Canada Life Assce. Co.
- W. H. Currie, Great West Life Assce. Co.
- P. F. Howe, Sun Life Assce. Co.
- J. A. L. Robinson, Great West Life Assce. Co.
- S. P. Quilty, Ontario Equitable Life & Accident Ins. Co.
- W. E. Winter, Sun Life Assce. Co.

Peterboro—
- W. W. Richman, London Life Ins. Co.
- T. H. Taylor, Sun Life Assce. Co.

Sarnia—
- J. A. Clements, Imperial Life Assce. Co.

Stratford—
- L. E. Doherty, Sun Life Assce. Co.
- C. K. Kepkay, London Life Ins. Co.

Sault Ste. Marie—
- D. W. Neill, Confederation Life Assoc.

Timmins—
- T. A. Kelly, North American Assce. Co.
- A. Wilson Lang, Manufacturers Life Ins. Co.
- P. A. Macaulay, Mutual Life Assce. Co.
- J. E. Newton, Mutual Life Assce. Co.
- A. W. Pickering, Confederation Life Assoc.

Toronto—
- A. D. Anderson, Aetna Life Ins. Co.
- J. T. Dempster, Sun Life Assce. Co.
- C. W. Dill, Mutual Life Assce. Co.
- Philip Dykes, Mutual Life Assce Co.
- L. J. Heit, Canada Life Assce. Co.
- Miss E. T. Henhessey, Canada Life Assce. Co.
- J. E. Jellison, Canada Life Assce. Co.
- E. Newton Jory, Great West Life Assce. Co.
- A. R. A. Lowe, Mutual Life Assce. Co.
- W. R. McEwen, Canada Life Assce. Co.
- W. S. Naylor, Dominion Life Assce. Co.
- Miss E. T. Patillo, Mutual Life Assce. Co.
- W. C. Roan, Sun Life Assce. Co.
- H. C. Wotherspoon, Canada Life Assce. Co.
- P. A. M. Wright, Imperial Life Assce. Co.

Windsor—
- J. O. Laird, London Life Ins. Co.

Wingham—
- W. T. Booth, Mutual Life Assce. Co.

QUEBEC

Montreal—
- J. M. Carson, Mutual Life Assce. Co.
- H. P. Douglas, Prudential Ins. Co.
- J. R. Giroux, Mutual Life Assce. Co.
- A. H. Illsey, Imperial Life Assce. Co.
- E. L. Lyons, Imperial Life Assce. Co.
- J. A. Major, Great West Life Assce. Co.
- L. W. O'Donnell, Sun Life Assce. Co.
- W. O'H. Percey, Canada Life Assce. Co.
- A. Simpson, Mutual Life Ins. Co. of N.Y.
- F. R. Thouret, Imperial Life Assce. Co.
- B. W. Woodburn, Imperial Life Assce. Co

Outremont—
- H. Kingsley, Sun Life Assce. Co.

Sherbrooke—
- H. A. H. Baker, Sun Life Assce. Co.
- R. Becker, Sun Life Assce. Co.

Wesmount—
- R. E. Bliss, Confederation Life Assoc.

SASKATCHEWAN

Biggar—
- W. T. White, Mutual Life Assce. Co.

Moose Jaw—
- J. E. Hollonquist, Imperial Life Assoc. Co.
- J. B. Larway, Sun Life Assce. Co.

North Battleford—
- J. D. Shepley, Mutual Life Assce. Co.

Saskatoon—
- J. H. G. Bailey, Mutual Life Assce. Co.
- C. U. Luckhart, Mutual Life Assce. Co.
- R. MacInnes, Dominion Life Assce. Co.
- F. C. Marshall, Manufacturers Life Ins. Co
- F. B. McEown, Confederation Life Assoc.
- A. W. McMillan, North American Life Assce. Co.

Swift Current
- G. M. Martin, Crown Life Ins. Co

UNITED STATES

Atlanta, Georgia—
- M. E. Clubine, Sun Life Assce. Co

Insurance
OF ALL KINDS TRANSACTED
The Provident
ESTABLISHED 1905
Head Office:
THE PROVIDENT BUILDING
Corner Place d'Armes & St. James St.
MONTREAL
Tel. HArbour 3292-3-4-5-6-7

C. S. MACDONALD,
general manager of the Confederation Life Association, who has been elected a director and vice-president of the association.

Monarch Life Broke All Records in June Business

June and July were set apart as old policyholders' months with the Monarch Life Assurance Company. June production of new business exceeded that of any month since the company was organized. A general increase of 22 per cent. has been made in new production in the first six months as compared with the same period of 1925.

Insurance Personals

Congratulations are being extended to J. G. Stephenson, superintendent of ordinary agencies, who on July 9 completed 20 years of service with the London Life. Mr. Stephenson has had a very successful career and has contributed in no small way to the rapid development of the company. His energy and enthusiasm have gained for him a host of friends both in the field and at home office and everyone wishes him many more years of happy and productive service.

* * *

From the point of view of experienced insurance salesmen, 61 applications in forty-one working days may not seem exceptional, but when it is known that this feat was accomplished by a new man in his first month and a half of selling, the record becomes the more astonishing.

The man is D. W. Parcels, Dominion Life representative in Chauvin, Alta. He signed a Dominion Life contract on May 11. On June 27 he had sixty-one applications totalling $134,000 in business—all of it secured in and around this little Albertan village of 300 people with a possible district population not more than 5,000.

* * *

The management of the Canadian head office of the Metropolitan Life announces that Senator Dr. Henri Beland, ex-minister of the Department of Health, and of the Department of Soldiers' Civil Re-establishment, has joined the company as supervisor of industrial hygiene. His activity will be particularly directed to the work in the province of Quebec.

Dr. Beland, who is one of the most sympathetic figures in Canadian public life, has always taken a keen interest in the development of hygiene and social welfare issues, and it is due to his vast experience in this matter that the Metropolitan has secured his services for the immediate benefit of the province of Quebec.

Dominion Life Business A Fifth Over Last Year

The Dominion Life Assurance Co. in June recorded the largest individual month's business in its existence, $2,850,000, an increase of 25 per cent. over June of last year, which up to that time had been the company's high month.

Total production for the first six months of the year stands at $11,910,000, an increase of 21 per cent. over the same period last year.

Insurance is Not Cure for Reckless Car Driving

In view of suggestions that have been made in Canada that compulsory insurance of all motor vehicles in provincial insurance funds would check the loss from reckless drivers, it is interesting to get the opinion of an American committee that has studied the subject.

The toll in life and property resulting from automobile accidents on the streets and highways cannot be checked by compulsory automobile insurance, is the conclusion of the Insurance Advisory Committee of the Chamber of Commerce of the United States.

Insurance, in other words, is not a cure for reckless driving. Besides it isn't always the driver's fault. Nevertheless thirty-eight state legislatures during the winter of 1924 and spring of 1925 considered compulsory automobile insurance bills and one was passed.

In 1924, the committee finds, policyholders paid over $103,000,000 in premiums for automobile liability protection. The enactment generally of compulsory legislation would increase this amount to well over $400,000,000. The committee does not believe it would be fair to impose this burden upon motorists.

"The function of insurance," it adds, "is to indemnify after a certain event has occurred. When insurance is arranged for the feeling of liability on the part of the individual is lessened. Even now some motorists who are insured think because they are protected they need not exercise as much care while driving. The committee does not believe the weeding out of reckless and incompetent drivers, as proposed in compulsory automobile insurance measures, is the exclusive function of the insurance company."

EXCELSIOR LIFE RECORD

Excelsior Life states that it made another record in June, the production being $128,000 greater than in any previous month in the company's history. This brings the total production for the six months ending June 30 up to $8,463,252, which is over 25 per cent. greater than the production for the same period of last year, and is short of the objective for the six months, $8,500,000, by only $36,748.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

BRITISH EMPIRE
Underwriters' Agency
Head Office - Toronto
FIRE and AUTOMOBILE
INSURANCE

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

INSURANCE
Fire, Automobile, Accident Liability, Etc.
Intelligent Advisory Service
OSLER, HAMMOND & NANTON
WINNIPEG LIMITED

SAVINGS WITH PROTECTION

Insurance at minimum cost, increased dividends each year, generous indemnities for total and permanent disability—these are a few of the benefits provided by The Northern's 20-Pay Life Coupon Savings Policy.

This attractive policy guarantees substantial annual dividends in the form of coupons. You simply clip one each year and cash it with the Company. Or you may leave the coupons untouched—in which case the policy will be paid up in 15 instead of 20 years. *Ask your nearest Northern Life Agent about this attractive plan, or write our Home Office.*

The NORTHERN LIFE
ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897

GROWTH

In the balance sheet of a life assurance company **income** represents the receipts during the year in premiums on its policies of all kinds, from interest and dividends on its invested securities, from rents, profits on sales of securities and from other sources. In relation to disbursements it is a measure of growth or expansion.

The income of the Sun Life Assurance Company of Canada for 1925 was over **sixty-nine million dollars.**

SUN LIFE ASSURANCE COMPANY
OF CANADA
Head Office: Montreal

Why Business Men Failed in 1925

FAILURE DUE TO:	NUMBER	LIABILITIES
Incompetence	27.4%	16.9%
Inexperience	7.2	3.2
Lack of capital	32.2	42.5
Unwise credits	4.3	4.4
Failures of others	.7	.9
Extravagance	.8	.5
Neglect	1.3	1.0
Competition	5.9	6.7
Specific conditions	15.2	18.1
Speculation	1.1	2.6
Fraud	3.9	3.2
Total	100%	100%

Mr. Manufacturer or Jobber, the actual ***percentages*** pertaining to Canadian failures will change every year; but the underlying ***principle*** exists today, tomorrow and for all time to come.

Even if you had no abnormal credit losses last year, or over a period of years—that is no reason for your not safeguarding against the unexpected losses of tomorrow. In fact, the only ***certain*** thing about credit accounts is their ***uncertainty!***

No matter ***what*** may happen to any of your customers, or ***when***, you are absolutely protected if you carry our Credit Insurance. It cannot help but pay you to investigate this great protective service.

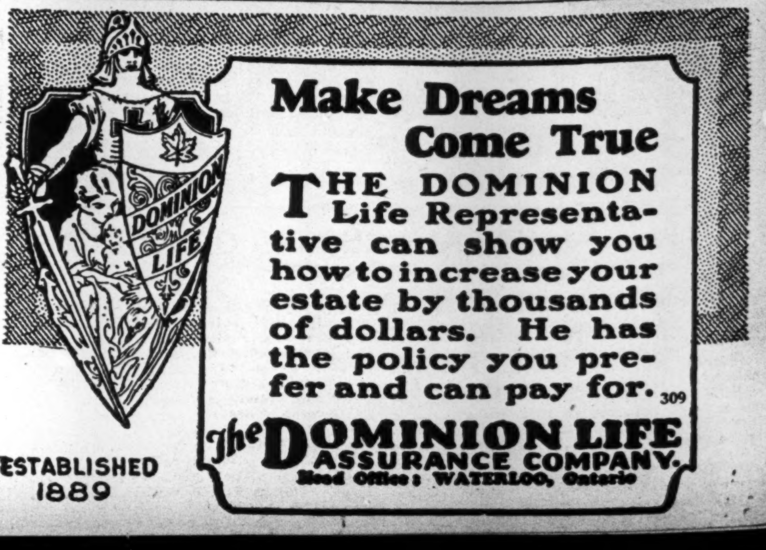
CANADIAN DIVISION
The AMERICAN CREDIT
INDEMNITY COMPANY
of New York — J. F. McFadden, *President*
R. J. MULLEN, *General Manager for Canada*
Toronto Office, 1702-08 Metropolitan Bldg. Phone:—Main 4316
Montreal, Canada Cement Bldg., Phone:—Lancaster 3258
KR484

Northwestern Mutual Fire Association
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO
THE NORTHWESTERN MUTUAL
Keeps on deposit at Ottawa one of the largest funds of any Fire Insurance Company for the exclusive protection of Canadian policyholders.
Writing Fire Insurance at Cost. Assets $3,118,764.07.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All policies dividend paying and non-assessable.

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

"How about it, Daddy?
I shall be all right, but what about Mother till I can be her man?"
Protection with Profit
The Great-West Life Assurance Company
Head Office Winnipeg
35



Make Dreams Come True
THE DOMINION Life Representative can show you how to increase your estate by thousands of dollars. He has the policy you prefer and can pay for. 309
The DOMINION LIFE ASSURANCE COMPANY.
Head Office: WATERLOO, Ontario

Current Events in Banking World

DEPRESSION WILL PROVIDE TEST OF INSTALMENT PLAN

Strong and Weak Points of Idea as Seen by Bankers

Instalment selling is a present fact rather than a theory. Its weak and strong points are being tested in practice. There is anything but unanimity of opinion as to the ultimate effects on business. In Canada, the credit idea in merchandising has not been carried so far as in the United States, but conditions in the two countries are sufficiently alike that Canadian bankers and business men are vitally interested in the developments on the other side of the border. There it is found that the automobile industry is almost a unit in favor of the idea. Many manufacturers in other lines report successful experience with minimum credit loss. Other manufacturers regard the plan as short-sighted—a false stimulant which must be equalized by depression. Many economists and credit manufacturers are inclined to look upon the idea askance.

American bankers are scrutinizing the situation closely and their opinion, according to Alex. Dunbar, vice-president, the Bank of Pittsburg, in an article in the Bankers' Magazine is that so long as buying power is sustained, through general employment at high wages, "the danger of forced liquidation of this volume of credit is not immediate, but the bankers are asking themselves whether or not, if depression comes, forced liquidation will inflict hardship upon those who buy and those who sell in this manner." Dealing further with the situation from the standpoint of the bankers, Mr. Dunbar says:

> The bankers concur with the conservative opinion of Industry that the present tendency in various instalment lines to reduce initial payments and to spread subsequent payments over longer and longer periods, in an effort to maintain volume of sales, will precipitate trouble by exhausting markets.
>
> Many manufacturing concerns are expanding their production facilities on the basis of abnormal sales volume, created under pressure of partial payments. Many of these industrial expansions themselves are financed by the issuance of long term obligations, which can be liquidated only from profits arising on the present basis of production and sales. Whether or not it is sound business to discount the future in this manner is questionable.
>
> A substantial amount of the recent financing of many large American concerns has been by the sale of securities to the general public, on capitalized profits earned by partial payment sales. The intrinsic worth of these securities depends upon the maintenance of profitable markets, and, if these markets are forced too rapidly, through discount of future earning capacity, it is obvious that the position of these securities will be jeopardized when the showdown comes, through decline or exhaustion of buying power.

Depression the Test

There can be no authoritative conclusions drawn from the present situation until it encounters the seas of a business depression. It is obviously unwise and certainly uneconomic for America to proceed to discount its future earning power for indefinite periods in advance. It is a delusion to conclude that true prosperity is based on consumption to-day of merchandise to be paid for from future and problematical earnings. Whether or not we are overloaded on this line of credit will be definitely established when, for any reason buying power substantially declines.

The fact must be faced that paying for a dead horse is repugnant to human nature. If America finds itself in a position where earning power is curtailed commodities will then be bought for cash, to the detriment of the obligations incurred through partial payment commitments. That will be the testing time.

In the writer's judgment, the safety of the situation lies in the sagacity with which the credit is extended. Hope and optimism spring eternal in the human breast. It is desirable that they should. To what extent this hope and optimism about the future financial status is justified is a matter for individual assessment on the part of those who determine credit risks, and there can be no universal rule.

Not a Divine Right

One of the major faults of this credit situation, as the writer sees it, is the inclination in the mass mind, on the part of eager sellers, of the idea that credit is almost a divine right.

The burden of proof seems to be upon the credit men of America, to prove that the buyer is not entitled to credit. Most certainly the shoe should be on the other foot. It should always be the province of the buyer to establish his right.

I can see how retail merchants are being forced into a situation which presents the alternative either of extending large lines of credit or curtailing volume of business. Seldom now do we see the price of a commodity of considerable worth advertised. Advertisements teem with the statement or suggestion that the article can be bought on time. The refusal (on the part of retail merchants) to grant credit promiscuously not only curtails their volume and profits, but also tends to create ill will.

The fact that instalment buying paper may be rediscounted by merchants through finance companies, with or without recourse, does not lessen in any degree their responsibility to assay, with meticulous care, the individual right of the buyer to credit, measured by cold, financial judgment.

The loose granting of credit at the point of sale, regardless of whether it results in temporary profit and volume, and regardless of whether or not there is recourse on the merchant, is a vital blow to sustained prosperity.

It is obvious—and no reasonable person will deny the contention—that there can be no standardization of credit. One family may be perfectly justified by its past reputation, earning power and assets, to buy everything it needs on the partial payment plan, while another family with the same earning power may be wholly unworthy of credit for the same commodities.

In the eagerness to create markets for immediate profits, and to absorb the extended productive capacity of America, the dignity and responsibility of credit has been cheapened. The writer deems it the particular business of merchants who sell direct to the public to eradicate this erroneous conception.

There can be no legitimate indictment for the extension of credit for the purchase of anything where the right to credit has been fairly earned by past performance, and is supported by a "balanced" family budget. The tragedy of the situation is in making debt easy for those who have neither the financial nor the moral right to go into debt.

All of which seems to bring the whole question down to a matter of the use or abuse of credit. Articles in which there is a substantial asset and which can be resold to meet unpaid obligations have long been successfully marketed on the instalment plan and this business is undoubtedly on a sound basis, but when it comes to selling automobile tires for a dollar down, it is evident that credit is being spread pretty thin.—J.W.T.

Canadian Banker Gets Good Position in Los Angeles

WINNIPEG.—Friends and associates of Rupert E. Wilson, who remembers him as manager of a branch of the Bank of Nova Scotia in Winnipeg several years ago, will be pleased to learn of his appointment as manager of an important branch of the Security Trust & Savings Bank of Los Angeles, the seventh largest bank in the United States outside of New York city.

After leaving Winnipeg in 1922, Mr. Wilson entered the Security bank in Los Angeles as utility man in the new accounts department. Later on he worked as personal representative of the bank in the business development department, and his record of success in this position led to his appointment as head of a branch of the bank.

Mr. Wilson has spent his entire career in the banking profession. Upon leaving high school he started with the Bank of Ottawa in his home town, Kenora, Ont. Seven years later this institution merged with the Bank of Nova Scotia, and Wilson was made accountant in the Winnipeg office. In 1920 came his promotion to manager of a branch in Winnipeg.

Charge on N.S.F. Checks is Not New to Canadian Banks

Members of the San Fernando Valley Bankers' Association, in California, have adopted a resolution which provides a charge of 25 cents extra on all checks which are returned on a basis of a lack of funds for paying same. It was developed that quite a number of bank patrons are careless about their checks and often overdraw in moments of forgetfulness.

The idea is not novel to Canadian bankers. In fact there is a rule recognized by most of the banks which may be applied where N. S. F. checks are issued. The regulation, however, is an elastic one in that it is usually applied at the option of the manager where he has found frequent offenders in this regard.

American Banks Sued for Safety Deposit Box Losses

A case is pending in the courts of New York City in which a bank customer is seeking to recover $12,000 in valuables that he claims were removed from his safety deposit box. In this case the customer maintains that on opening the box he found his property gone and that it consisted of $9,260 in jewellery and $3,000 in Liberty bonds. It is noted that in this case, as in most other claims against the safety deposit companies, registered bonds and other securities which can be readily traced are not included. It is noted also that a deposit company connected with another bank was sued early this spring for a large sum which the customer claimed represented jewellery and bonds left in his deposit box and found missing from it by him.

There is no record of similar action taken against Canadian banks or trust companies having safety deposit vaults. Bank officials with whom the matter has been discussed do not regard the question as a very serious one from the Canadian standpoint because they point out that it is not the custom to guarantee the safe-keeping of the contents of the safety deposit box. The box is rented to the customer and that is the basis of the contract. The responsibility of the bank or the trust company is to see that no one but the person to whom the box is rented is given access to it. If it can be proven that no one but the renter or his agent has access to the box a claim regarding disappearance of the contents thereof could hardly be justified.—J.W.T.

Poor Business Methods Account for Failures

DALLAS, TEX.—Of all business failures, 80 per cent. are caused through the fault of those failing, and only 20 per cent. through conditions outside their control. This fact was brought out in an important address by Chester A. Rude, vice-president of the Citizens National Bank of Los Angeles, before the credits conference of the annual convention of the American Institute of Banking in session here. Mr. Rude, who is president of the Los Angeles Bank Credit Men's Association, and a nationally known authority on bank credits, spoke on "Danger Signals in Granting Credit."

In dealing with the cases of those who fail through no fault of their own, emphasis was laid on the necessity of the banker being familiar with national and international economic conditions, the position of the particular business in the economic cycle, and the amount of competition which it has to withstand. The lessons of 1920 showed that, while surface indications might point to a particular business being very profitable, it might actually fail through disturbed conditions in the larger economic situation. Bankers have been developing a system of watching for certain danger signals which point to trouble ahead either through such disturbed conditions or through actual fault or trouble inside the organization itself. The work of a bank credit department does not end with the granting of a line of credit, but rather it should begin there, and be concerned with watching for the danger signals.

Staff Gossip

S. W. Jones, who has been teller in the Bank of Nova Scotia here for the past three years, has been transferred to Montreal, and is succeeded by H. Brown, who comes from the metropolis. —Herald, Carleton Place.

* * *

W. C. Campbell, who for the past three years has been the manager of the local branch of the Standard Bank, has received word of his appointment as manager of the branch of the Standard Bank shortly to be opened at Kitchener. Mr. Campbell will take a short vacation before assuming the duties of his new position. He will be succeeded by J. P. Daugherty, of Chatham.—Advertiser, London.

* * *

W. James has assumed his new duties as assistant manager of the main Windsor branch of the Bank of Montreal, succeeding Reginald S. Morphy, now manager at Oshawa. Mr. James was formerly manager of the Molsons Bank here, and, after the amalgamation of that institution with the Bank of Montreal, became manager of the latter bank at Ford. It was from this office that he was transferred to the main branch in Windsor. Mr. James is succeeded in the Ford City branch by P. G. Jameson, former manager of the King and Yonge Street branch, Toronto.—Star, Windsor.

More Branches Closed Than Opened in June

The Canadian chartered banks report the opening of only four new branch offices during the month of June, while for the same month five offices were closed. A list of the branches opened and closed follows:

Opened

Commerce—Rabbit Lake, Sask., sub-agency to North Battleford; Ocean Falls, B.C.

Dominion—Leamington, Ont.

Toronto—Danforth and Langford, Toronto.

Closed

Can. Nationale—Notre-Dame de Lourdes, (sub. ot Plessisville;) St. Ambroise, (Kenogami); Lac aux Sables, (St. Tite); St. Louis de Champlain, (Cap de la Madelaine).

Royal—Edward, Ont. (sub. to Metcalfe).

BANK OF MONTREAL

An office of the Bank of Montreal will be opened on or about the 23rd instant at Gatineau, Que., as a sub-agency to the Hull, Que., branch.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities	July 16, 1925	July 15, 1926
Halifax	$ 2,661,192	$ 2,804,545
St. John	2,609,389	2,520,441
Moncton	689,802	825,530
Sherbrooke	863,001	834,018
Quebec	7,157,741	6,374,003
Montreal	85,881,392	96,721,399
Ottawa	6,307,967	6,328,759
Kingston	675,705	827,926
Peterboro	808,647	756,091
Toronto	83,494,776	94,272,414
Hamilton	5,245,514	4,949,423
Brantford	1,042,721	1,050,181
London	2,504,920	2,538,921
Chatham	....	757,487
Kitchener	1,067,647	919,268
Sarnia	....	632,591
Windsor	4,083,082	5,181,665
Total, East	$205,084,346	$228,294,662

Western Cities	July 16, 1925	July 15, 1926
Ft. William	$ 746,201	$ 816,926
Winnipeg	42,748,164	44,841,859
Brandon	547,507	575,304
Regina	3,326,035	3,965,090
Saskatoon	1,460,556	1,741,902
Moose Jaw	1,083,046	1,123,103
Prince Albert	286,478	358,691
Calgary	6,758,681	5,748,438
Edmonton	4,050,430	4,233,851
Medicine Hat	227,061	235,317
Vancouver	14,302,869	16,913,334
Victoria	2,107,320	2,258,919
New Westminster	619,007	813,880
Total, West	$78,263,350	$82,729,584

Okanagan Growers Aim at Dollar a Box for Apples

In the Okanagan Valley to-day the fruit-growers say: "Give us a dollar a box for our apples and we'll be satisfied." There are men who say that the day when the grower will get an average of a dollar a box for apples is at hand.

Things have greatly improved in the past three years and the marketing of the fourth year's crop under the Associated Growers is being entered on with assuring prospects for wide distribution and fairly good prices. It is a little difficult to get the average net return to the growers on all his varieties of apples. Officials of the associated say that last year it was a little over 80 cents a box—from 80 to 85 cents.

At the time the Associated was formed, it was the accepted statement that from 80 to 85 cents was the cost of producing a box of apples and that the growers could not continue in the business with any return that was less.

FORGED NOTES IN "ASSETS"

STEUBENVILLE. — Forged notes amounting to $111,828 were uncovered in the audit of the assets of the Union Savings Bank of Yorkville, O., according to an inventory of assets filed in the Common Pleas Court here to-day. Bogus names were used, banking officials say. The assets of the bank totaled $1,120,000, and only $11,811,73 in cash was found at the bank.

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S. J. MOORE
EDWIN HANSON
E. A. MACNUTT
HON. F. B. McCURDY
T. A. SPOOR, Secretary and Treasurer

CONSOLIDATED BALANCE SHEET
As at December 31st, 1925
Presented to Shareholders at Annual Meeting, July 21st, 1926

ASSETS

Property: Electric Power Plant, Dams, Transmission Lines, Real Estate, Equipment, Concessions, etc., in the State of Chihuahua, Mexico			$14,386,665.97
Outside Investment, at book value			49,049.28
Current Assets:			
Materials and supplies, less reserve	$ 108,894.20		
Accounts receivable, less reserve	135,350.75		
Cash on hand and in banks	433,303.27		677,548.22
Deferred Charges: Bond discount, less amounts written off, unexpired insurance and other prepaid expenses			[illegible]09.40
			43,[illegible]
			$15,156,772.87

LIABILITIES

Capital Stock:			
7% Preferred—30,000 shares of $100.00 each	$ 3,000,000.00		
Common—100,000 shares of $100.00 each	10,000,000.00		$13,000,000.00

NOTE:
(1) Dividends on preferred shares have been paid to December 31st, 1924.
(2) 138 of the above preferred shares and 9,874 of the above common shares are held by the Montreal Trust Company to be exchanged for prior lien and first mortgage bonds of Mexican Northern Power Company, Limited, not yet surrendered for exchange.

7% First Mortgage 10-year Bonds, due July 1st, 1933:			
Authorized	$1,000,000.00		
Issued		$ 750,000.00	
Less—			
Redeemed and cancelled	$ 27,000.00		
Held in treasury	123,000.00		
Hypothecated as collateral security for advances under special agreement	100,000.00	250,000.00	
			500,000.00
Accounts Payable			20,502.16
Coupons of Predecessor Company Outstanding			3,524.79
Advances by Companies Under Special Agreement, Repayable out of Future Earnings			163,296.40
Reserve			10,000.00
Reserve for Mexican Income Tax			63,911.93
Reserve for Depreciation of Property			707,623.89
Surplus:			
Balance at January 1st, 1925		$ 831,945.15	
Add—Profits for year 1925, before providing for interest, depreciation and Mexican income taxes	$ 789,054.41		
Less:—			
Interest on bonds and loans	$ 41,872.43		
Discount on bonds, etc.	7,213.43		
Depreciation	200,000.00		
Mexican taxes	54,000.00		
	303,085.86		
		485,968.55	
		$ 1,317,913.70	
Deduct—Preferred dividends for years 1922, 1923 and 1924 (21%)		630,000.00	
			687,913.70
			$15,156,772.87

Toronto, April 26th, 1926.

To the Shareholders of
The Northern Mexico Power & Development Company, Ltd.
Gentlemen—

AUDITORS' CERTIFICATE

We have examined the books and records of The Northern Mexico Power and Development Company, Limited and of the Cia. Agricola y de Fuerza Electrica del Rio Conchos, S.A. for the year ending December 31st, 1925, and we certify that the above balance sheet is drawn up so as to exhibit the true financial position of the combined companies as at December 31st, 1925, and the results from the operations of the year ending that date.

Yours faithfully,
(Signed) PRICE, WATERHOUSE & CO.,
Chartered Accountants.

We finance and refinance companies in need of funds for expansion purposes, as well as plan and execute reorganizations, mergers, etc.

We shall be glad to examine and formulate plans for further financing and submit same at no expense to you.

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TORONTO 2

GROWTH

THE volume of assets under the care of this Corporation has grown during the past fifteen years as follows:

Year	Assets
1910	$41,601,297
1915	$71,869,470
1920	$113,762,324
1925	$152,791,520

These figures are evidence of the growing confidence of the public in this Corporation, and that its services as Executor, Trustee, Administrator, Financial Agent, &c., are being appreciated by an ever-widening circle of satisfied clients.

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Established 1882

W. G. WATSON, General Manager,
H. M. FORBES, Asst. General Manager.
Toronto Ottawa Winnipeg Saskatoon Vancouver

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On guard at the tower gate stand the yeomen, in all their ancient splendour, a page torn from the time of the Tudors.

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The Foreign Exchanges

Will French Franc Follow German Mark? — Political Reconstruction Indicates Worst is Over

Conducted by S. J. ZACKS.

Is the German example going to be repeated in France, is the question the man on the street asks. And it is a question that cannot be answered in one word. The French franc has now reached a new low of all times and its rescue becomes daily more difficult. Finance Minister De Monzie announces that the national treasury is on the verge of bankruptcy, while it may be necessary for the Bank of France to suspend specie payments. Internally, conditions are in a frantic condition. Prices are rising as people are converting their money into commodities. National Defense and Treasury bond holders demand monetary reimbursement in order that they might convert their paper into material assets. France has been short of the franc for the past two weeks. The French people evidently have lost, in a very large measure, their confidence in the franc.

Is the change of administration responsible for the present horrifying condition? The French parliament had the option of choosing between the Herriot administration or Caillaux dictatorship. It is doubtful whether the public would have sanctioned parliament's choice. Herriot, who is opposed to the use of the Bank of France's gold or the establishment of foreign credits to stabilize the franc, is said to favor a capital levy. The sacrifice, in his opinion, must be a national one and the vested interests must pay. The public evidently has not approved of this policy and has expressed its distrust. Treasury bonds held by the public have not been renewed, but rather cashed in. Hence the drain on the treasury. The life of the Herriot ministry now appears very uncertain and a Poincaire dictatorship is being mooted. Possibly there are still two paths open to France before the franc slumps further—one, a dictatorship, with full powers to provide for a rescue of the franc, the second, establishment of foreign credits, which at the moment, with the American claims unsettled, appears impossible. If the French government becomes bankrupt, undoubtedly France will have a modified application of the Dawes plan, with the stabilization of the franc and the use of the Bank of France's gold reserves as the backbone of a constructive programme. France will require a strong government, the establishment of a new currency, definitely stabilized, and tied to gold, the establishment of foreign credits following upon a satisfactory settlement with old creditors. and a balanced budget, which only a strong government that will be able to enforce the preceding steps can bring about. These would be the steps in a readjustment after the Dawes fashion.

This, then, is our answer to the man on the street. The extent of the immediate inflation will depend on the length of time it will be necessary for the enforcement of such an arrangment. In a country such as France, the constitution of which enables public opinion to be reflected in parliament only once in four years, political jobberies and combinations, sometimes irresponsible and not sensible of true public demands, have been much in evidence. It might take a longer time to bring about the adjustment than would be possible either under the British or American parliamentary systems. If France delays any longer, it will be too late.

France, then, by checking further inflation at once (provided that inflation has not already gone too far in its cumulative swing upwards), can spare herself the agonies and economic losses of the greater deflation which will have to follow.

The Belgian and Italian currencies have also been dragged down to new lows in the present downfall of the French franc and have moved with every move of the French franc. Sterling turned a trifle easier this week, dipping ¼ on Wednesday to $4.85⅞.

All other movements have been quiet, being overshadowed by the French catastrophe. Brazil has eased off a bit over the previous week, reflecting Brazil's budgetary condition.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
July 15	1-8	9-64	1-32	3-64
July 16	7-64	1-8	1-32	3-64
July 17	7-64	9-64	1-32	3-64
July 19	1-8	5-32	1-32	3-64
July 20	5-32	11-64	3-64	1-16
July 21	5-32	5-32	3-64	1-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
July 15	4.86 1/16	2.46	3.38
July 16	4.86 1/16	2.36½	3.38¾
July 17	4.86⅛	2.41¾	3.40¼
Jluy 19	4.86⅛	2.12	3.33¾
July 20	4.86½	1.93¾	3.18¾
July 21	4.85⅞	2.09	3.24¾

FOREIGN EXCHANGE

Par		July 14	July 21
19.30	Italian	3.41	3.25
23.82	German	23.78	23.77
32.45	Brazil	15.75	15.31
19.30	Belgium	2.35	2.26
94.85	Japan	46.95	47.20

THE NATION'S BUSINESS

(Continued from page 1)

lined them up again last month to defeat Meighen after internecine strife had inavded the King-Forke camp.

This new nationalist wing of the Liberal party has in mind making its separatist policy the chief plank in the policy of the Liberal party as a whole in Canada. They have strength and are recruiting many brilliant young minds to their cause. Against them they have the Globe and the old Liberals in Ontario and the old Laurier Liberals in Quebec, now represented by Gouin, Lemieux and Robb. Time alone will measure their success.

The younger Sifton's debut was fairly auspicious. His speech attracted attention. While more fitted for the university debating room than for the political platform, and somewhat obscure in relating constitutional practice to the present election campaign, it was a worth-while contribution to the discussion of Canada's position in the Empire.

Another explanation offered of Sifton's sudden appearance on the public platform and the prominent place given his speech by the Toronto Star, is that it was a "try out" for King's address scheduled for later in the week; the idea being to see how the public would take to a policy of Canadian independence, if proffered by King.

In this connection, it is notable that the Star, the organ of the new group, played up very prominently the vapid mental meanderings of an inconsequential Boston journalist, who spent a couple of days in Canada and went home to suggest that Great Britain pay off its war debt by giving Canada to the U.S.A.

* * *

APPOINTMENT of Hon. W. A. Black to the Meighen cabinet as Minister of Railways and Canals has initiated a round of discussion. The move seems likely to accomplish one of its apparent purposes, of placating in their embarrassing railway demands, the Maritime provinces. Premier Rhodes of Nova Scotia probably expressed Maritime opinion as a whole when he said that "Announcement of the appointment of a Nova Scotian as Minister of Railways and Canals marks the dawn of a new era for the province, indeed for the Maritime provinces as a whole. It holds out a new and certain hope to us." Of course, Rhodes is a Conservative.

But in Ontario, the Toronto Globe, Liberal, is inclined to say that that is the weakness of the appointment; it definitely promises too much to the Maritimes in railway matters. It contends that Black is committed to solving Maritime transportation problems at the expense of the railways, and states that successful operation of the Canadian National Railways is endangered by having a Maritimer in the office of the Minister of Railways and Canals.

While these views are from representatives of different political parties, they are not without significance, since Rhodes is probably more Nova Scotian than Conservative and the Globe is more "public ownership" than Liberal.

* * *

DISCLOSURES in the customs investigation, of improper attempts to influence cabinet ministers in dealing with crooks, have not entirely eliminated the practice. Within the past week, various Conservative candidates have been approached by smugglers caught with the goods, asking that influence be brought upon the administration to absolve them from punishment.

Premier Meighen, should he be re-elected, and his successor, should the Conservatives not win the election, will have to exercise firmness and fairness to prevent politics from influencing justice, as it apparently has done in the past.

* * *

THE Revillon Monthly, published by a large wholesale house in Edmonton, quotes Robert Forke, Progressive leader, as saying "with all our troubles we probably have more individual happiness than anywhere else in the world."

It adds this comment: "That is a significant statement, coming from the official spokesman of the political group chiefly responsible for such dissatisfaction and pessimism as prevails in Western Canada. There would appear to be room for a suspicion that politics, rather than economic conditions, is responsible for much of the dissatisfaction."

* * *

THE recent summary of the Canadian political situation, that appeared in the New York Times is hardly to be regarded as an entirely independent, detached view, since it was writtetn by J. A. Stevenson, an Ottawa political writer. Perhaps it has some elements of non-partizanship in it; Stevenson is a Liberal, but happens at the moment to have a grudge against both King and Forke.

His description of the two leaders is interesting, his feelings being kept in view:

"Mackenzie King is a Liberal of the Gladstonian school, a believer in the law of supply and demand, a professed free-trader, an anti-imperialist, and an opponent of all forms of state interference with individual enterprise. He is a dreamer who has specialized in the study of industrial problems, a lover of compromise, and his great gifts of platform oratory do not exactly compensate for the poverty of his administrative talents and his lack of personal popularity.

"Arthur Meighen, on the other hand, is a Tory who believes in strong government and high protectionism and is not averse to collectivist experiments like the national railway system which he fathered. It was not for nothing that he called his eldest son Theodore Roosevelt after a statesman of whom he was a fervent admirer."

"The general verdict is that Mr. King was morally wrong in asking for a dissolution and that Lord Byng was right in not granting it," says Stevenson in his Times article, but he is less definite in forecasting the result, for he says: "Never were the prospects of an election so obscure."

His well-known free trade views may have inspired his statement that the low tariff Conservatives will make it impossible for Meighen to put into force his policy of high protection.

Stevenson's final conclusion is that a Conservative win means a binding together of the British Empire and a Liberal win the strengthening of nationalist spirit, closer economic relations with the United States and further disintegration of the Empire.

* * *

HON. MACKENZIE KING seems to have few friends in either party in Quebec. The Chronicle-Telegraph, independent, though edited by Hon. Frank Carrel, M.L.C., a Liberal, says:

"Mr. King's egotism is proof against all the 'whips and scorns of time' and the Liberal Party, having placed him in the saddle, cannot easily unseat him now."

L'Evenement, owned by a former Liberal, now a Conservative, J. H. Fortier, is still more outspoken:

"In our opinion, the accident that has happened to the Canadian Liberal party is the finishing stroke to the political career of the Honorable William Lyon Mackenzie King. The party of Blake and Laurier should survive—it will survive; but the political trickster who profited by the embarrassment of the Liberal party to obtain the leadership has never measured up to the position he usurped. Fielding or Gouin, there lay the choice the Liberal party ought to have made in 1920 to find a successor to the illustrious leader they had recently lost. That choice would have been ratified by the Canadian nation. Unfortunately, the national point of view was sacrificed to inept grudges, and, instead of a statesman, it was a second-rate politician whom a majority, without vision and without discipline, clumsily elevated to a position he was not worthy to fill. By electing Mr. King as leader of the Liberal party, the feeble membership of the province compromised its mission and its future. With a leader like Fielding or Gouin the Liberals could have won a real and practical victory at the 1921 elections. If Mr. King has any personal pride, he ought to realize at the present moment that there is only one thing he ought to do, and that is to retire. He once went to take lessons in practical sociology in the United States. He might go there again and study applied political economy."

* * *

THE Progressives seem to have passed as a cohesive political force." is the view of the Maritime Merchant, Halifax, published by I. C. Stewart, a leading Nova Scotia publicist. "They have successively thrown over their different leaders, whose position was always precarious from the complete absence of party discipline in the ranks; and at each session new chunks of political meteorite have been thrown off from the parent body until now but little of it remains. Three of the number, at least, seem to have gone over holus bolus to the Conservative party; several others, if they come back to parliament, will come as Liberals; and all of the once large Progressive party that will be left will be a small Ishmaelitish band which will be powerless and ineffective unless the Liberal and Conservative parties come back with equal numbers, which is unlikely."

* * *

"I REGRET that the Prime Minister did not demand a free hand in the selection of his government, and let them who would oppose him. The country, if I understand it, would have applauded. Most people are tired of the patent attempts to placate this interest and that."

The above is from a Western Liberal, apropos of our comments on the Canadian cabinet system. Born and educated in Ontario, he went west as a young man and rose to success and prominence in public life; he was a protege, to some extent, of Sir Wilfrid Laurier, but is now strongly opposed to Mr. King.

From a former Conservative leader and M.P. comes this view: "Your references last week to the weakness of the British cabinet system under which we are working as compared with that of the U.S. was timely. We can never get strong constructive national management until we adopt the American system of giving the Prime Minister a free hand to select his ministers outside the House of Commons, from among the men who are best fitted to fill the places. I understand that Mr. Coolidge picked his present Minister of Agriculture from among one hundred selected executives with high records of achievements."

Lever Brothers Dominate Canadian Soap Industry

Manufacture of soap in Canada is one of the few industries largely in the control of British capital. This is because of the dominating position of Lever Brothers and its affiliations in the manufacture of various kinds of soap. Canada imports more soap than it exports, but importations are only a fractional amount of our production. Canadian soap factories have a good hold upon their home market.

These facts are brought out in a thesis prepared by two members of the commerce class of University of Western Ontario, London. These men, O. Eadie and A. G. McNally, have prepared their study of the soap industry under the direction of Professor Morrow.

There are 29 firms manufacturing soap in Canada as follows:

	Capitalization
17 Canadian firms	$1,091,100
6 American firms	965,500
5 British firms	6,776,000
1 Birtish-Canadian	15,000
Total	$8,848,600

Lever Brothers, with a capital of $4,000,000, together with their affiliations, apparently have over half the capitalization of the Canadian industry.

Soap imports were $1,232,618 in 1924. Soap to the value of $13,132,290 was manufactured in 1922. Exports were $644,436 in 1924. The figures do not vary greatly from year to year.

BANK FAILURES FOLLOWING BOOM

Weakness of Unit Bank System of U.S. is That Almost Anyone Can Start a Bank

NEW YORK.—Whatever may be said in favor of our system of unit banking it is subject to at least one decided shortcoming, says the Wall Street Journal. Almost anyone can start a bank. And because of the desire of official banking bureaus to show departmental expansion the first natural impulse is to give organizers the benefit of the doubt as to whether they are competent or not to run one. When prosperity hits a particular section, there is immediately a rush to open local banks. The butcher, the baker, and, in these days, the real estate operator regard themselves as captains of industry and seek independent bank facilities. Raising the necessary capital is not difficult and it is easy enough to prove the need for additional credit accommodations. Hence the mistake of overbalancing is frequently not to be laid to official regulation but to the system.

So long as boom times last everything goes merrily along. If the local "independent" bank is linked up to a "chain" organization there is no lack of funds to loan. Money is transferred from other localities, with the consequence that more banking credit is often pumped into a section than is justified by normal growth. Bank "chains" flourish by transferring idle funds from oue section to loan out in another where there is greater activity. Over a countrywide stretch, where seasonal commercial and agricultural demands have full effect, this method may be advantageous and is sometimes put forward in favor of Canadian branch banking. But when confined to a restricted territory or when the "chain" is made the means of furthering a local development at the expense of agricultural demands in other sections there is bound to arise sooner or later a breakdown in the system.

This is what has happened in Florida, with its counter reflection in the numerous bank failures now occurring in Georgia. It was unavoidable, perhaps, that some of the money drawn into Florida in recent years should come from sections that really could not afford to be without it for any length of time. The heavy withdrawals since were too much for the weak banks. Florida Chambers of Commerce may put out glowing propaganda to assuage the effects of deflation but when 10 representative banks, big and little, in Florida boom cities show a decrease in deposits in the past six months of over 25% there is no denying the extent of the readjustment.

Large Shipment of Zinc to Europe

Consolidated Mining & Smelting Co. of Canada has made arangements for the shipment of 16,000 tons of zinc concentrate from that port to Europe and that shipping will start early in July, the first 6,000 tons having been booked by the Canadian Government Merchant Marine ships. Between Jan. 1 and May 30, 222,549 tons of ores and concentrates have been received at the smelter, of which 174,612 tons came from the Consolidated company's mines and 47,927 from independent operators: the latter compares with 44,419 tons from independent operators, out of a total of 377,890 for the whole of 1925. The chief independent contributers during the first five months of this year were the Allenby Copper Corporation, Allenby, 13,040 tons; Bluebell, Riondel, 7,372 tons; Lucky Jim, Zincton, 7,260 tons; Whitewater, Retalleck, 2,490 tons; Yankee Girl, Ymir, 2,790 tons; Silversmith, Sandon, 2,081 tons; McAllister, Three Forks, 1,862 tons; Cork-Province, Zwicky, 1,278 tons; Stemwinder, Kimberley, 1,009 tons; Galena Farm, New Denver, 826 tons; Ruth-Hope, Sandon, 702 tons; and Paradise, Invermere, 501 tons. Moreover, shipments of custom ores during the summer and fall will be still heavier, as they are increasing facilities.

The Standard Bank of Canada

Quarterly Dividend Notice No. 143

A Dividend of Three Per Cent. (3) for the three months ending 31st July, 1926, being at the rate of Twelve (12) Per Cent. per annum, has been declared payable on the 2nd of August, 1926, to Shareholders of record as at the 16th of July, 1926.

By Order of the Board,
N. L. McLEOD,
General Manager.
Toronto, June 23rd, 1926.

DIVIDEND NUMBER 152

Hollinger Consolidated Gold Mines, Limited

(No Personal Liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 12th day of August, 1926, on which date cheques will be mailed to shareholders of record at the close of business on the 27th day of July, 1926.

Dated the 20th day of July, 1926.
I. McIVOR,
Assistant-Treasurer.

McINTYRE PORCUPINE MINES, Limited

(No personal Liability)

DIVIDEND NO. 31

NOTICE is hereby given that a dividend of five per cent. (5%) on the issued Capital Stock of the Company will be paid on the 1st day of September, 1926, to shareholders of record at the close of business August 2nd, 1926.

By order of the Board,
BALMER NEILLY, Treasurer.
Dated at Toronto, July 15th, 1926.

Wood, Alexander & James Limited

NOTICE OF DIVIDEND

Notice is hereby given that the regular quarterly dividend of 1¾% on the First Preference shares of this Company has been declared, payable August 1st to shareholders of record July 20th.

By order of the Board.
W. J. CUNNINGHAM,
Secretary.
Hamilton, Ont.
July 15th, 1926.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of SEPTEMBER next, to Shareholders of record of 31st July, 1926.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 20th July, 1926.

TENDERS WANTED FOR DEBENTURES

Tenders will be received up till 12 o'clock noon, on Saturday, July 24th, 1926, for the purchase of $67,500 debentures, divided into 20 annual payments, interest and principal. These debentures issued to pay for paved streets in Chippawa, Ontario. The lowest or any tender not necessarily accepted. Address tenders to J. G. H. Youngs, Clerk, or to Edward Weightman, Reeve, of Chippawa, Ontario.

THE Canadian Bank of Commerce

Dividend No. 158

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1926, payable at the Bank and its Branches, on and after Wednesday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1926. The transfer books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 16th July, 1926.

MANUFACTURERS FINANCE CORPORATION LIMITED

DIVIDEND No. 8

Notice is hereby given that a dividend of 4 per cent. (being at the rate of 8 per cent. per annum) upon paid up Preference shares of this Corporation has been declared for the half year ending June 30, 1926. Payable on the 15th day of August, 1926, to shareholders of record June 30, 1926.

By order of the Board.
W. M. McDONALD,
Secretary-Treasurer.
Toronto, July 6, 1926.

Canada Cement Company Limited

PREFERENCE SHAREHOLDERS'

DIVIDEND No. 66

Notice is hereby given that a dividend of 1¾% for the three months ending June 30th, 1926, being at the rate of 7% per annum on the paid up Preference Stock of this Company has been declared and that the same will be paid on the 16th day of August next to Preference Shareholders of record at the close of business July 31st, 1926.

H. L. DOBLE,
Secretary.
Montreal, July 15th, 1926.

Town of Kenora, Ont.

Tenders for Debentures

Sealed Tenders addressed to the undersigned and marked "Tenders for Debentures" will be received up to noon Saturday, July 24th, 1926, for the purchase of the following debenture issues of the Town of Kenora:

By-law No. 895—$12,687.61—5½%, Sinking Fund Consolidated Debt Debentures, dated July 1st, 1925; due Dec. 31st, 1953.

By-law No. 903—$16,636.81—5%, Sinking Fund Consolidated Debt Debentures, dated July 1st, 1926; due Dec. 31st, 1953.

The Municipality reserve the right to reject any or all tenders.

Full particulars will be supplied upon application.

F. J. HOOPER,
Treasurer.

The Bank of Toronto

Dividend No. 180

Notice is hereby given that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the FIRST day of September next to shareholders of record at the close of business on the 14th day of August, 1926. The Transfer Books will not be closed.

By order of the Board.
JOHN R. LAMB,
General Manager.
The Bank of Toronto, Toronto,
July 14th, 1926.

ARNOLD BROS. Limited

NOTICE OF DIVIDEND
on First Preferred
Dividend No. 3

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, has been declared, payable August 1st, 1926, to shareholders of record at the close of business July 19th, 1926.

By order of the Board.
E. B. HUGHSON,
Secretary.

ARNOLD BROS. Limited

NOTICE OF DIVIDEND
on Second Preferred
Dividend No. 3

NOTICE is hereby given that a dividend of two per cent. (2%), being at the rate of eight per cent. (8%) per annum, has been declared, payable August 1st, 1926, to shareholders of record at the close of business July 19th, 1926.

By order of the Board.
E. B. HUGHSON,
Secretary.

Group Insurance Executive Wanted

The services of a field executive for Group Insurance, with headquarters at Head Office, are required by one of Canada's largest and most progressive Life Insurance Companies, for the territory of Western Ontario.

With the assistance offered by Head Office, an excellent opportunity is afforded a man of business and sales ability.

Former Life Insurance experience is not essential. Position carries liberal salary, substantial commissions and travelling expenses.

For complete information, apply to Box No. 246, "Financial Post." Replies held in strict confidence.

CLASSIFIED ADVERTISING

I Can Build It
For Your Paper

Have been at the classified advertising business for six years, here and across the line, and am now seeking bigger opportunity to take over department on live daily paper.

Am young and single and ready to go anywhere. I know my job, can handle men and write copy. Best of references. Experience includes Toronto and Miami papers.

Am looking for a place where I can get the business and make my own salary.

Box 248, THE FINANCIAL POST,
Toronto, 2.

Can You Write?

Correspondence is solicited from a young man able to write interestingly on business and investment subjects. He must have a well developed news instinct, an appreciation of the problems of business men, a liking for figures and ability to produce clear, readable copy at good speed.

A university background; a knowledge of the principles of economics, or experience in statistical work would help as would a record on a daily newspaper.

The opportunity offered is unique and broad. It may be the ideal opening for some able reporter on one of our smaller Canadian papers.

If you have these qualities, or the ability to acquire any of them, write to the address below. Tell your life story briefly in your first letter.

Box 244. The Financial Post,
143 University Avenue, Toronto.

NORTHERN QUEBEC NOW DEVELOPING MINERAL ASSETS

Important Yields of Copper and Gold Definitely Promised

Reviewing the past year's work in the Quebec mining area, D. R. Hoffman, mining geologist, points out that three new copper mines have been brought in (the Waite in Duprat Township and the Alderson and Mackay in Boischatel Township); the Horne Mine tripled its ore reserves from $12,000,000 in April, 1925, to a minimum of $35,000,000 in April, 1926; good copper and gold discoveries were made in the neighboring townships; and the mineralization was seen to extend over a very wide area. Zinc in the form of sphalerite was found in several places, particularly at the Horne, Waite, Alderson and Mackay, and Amulet Mines and a substantial production of zinc along with the gold and copper should be made each year from the Rouyn area. Development of claims and properties in the early part of the summer of 1925 was curtailed to some extent owing to the indefinite status of the railroad situation. In the fall, as soon as the Canadian National started on the construction of its branch from O'Brien to Rouyn, the developments of mining properties was very much accelerated. Mr. Hoffman continues:

"During 1925 the Quebec Department of Mines wisely amended sections of its mining act. Claims were cut down from 200 acres to 40 acres; amount of ground to be staked and to be held by a single individual was limited to 200 acres, with the individual's right to stake an additional 400 acres on behalf of others; and an affidavit required on all claim applications. This last provision, namely, an affidavit be attached to claim applications that the staking was actually done by the person applying for the claims for himself or on behalf of others, was very apropos in that a good deal of ground previously had been staked off the map by unscrupulous men and there was no provision other than a civil suit brought by the bona fide staker against the "map staker" whereby justice could be secured. The tax of 50 cents per acre was retained in that the Quebec government felt that the annual payment of this tax prevented the holding of ground to the detriment of the mining area. Time alone will show whether this policy of acreage tax, though it excludes mere claim holding, will prevent individual effort, attaching too great an expense on the prospector, and will curtail to some extent the development of this Quebec mining region.

"In addition the Quebec government opened a Mine Recording office at Amos to facilitate the recording of claims and plans to open another recording office at Rouyn as soon as wire and telephone communication there are assured. It has already opened a branch office there. Provisions have also been made for the appointment of mine inspectors and of a mining commissioner to decide cases of dispute re mining claims.

"Transportation conditions to the Rouyn area were very much improved in the course of the past year. Railroad communication is now a fact of the near future with the beginning of the construction of the branch line south from the O'Brien to Rouyen. The right of way has been cut out to Rouyn, most of the rock cuts completed, some grading done at the O'Brien end, and it is anticipated by the contractors that the steel will have been laid into Rouyn by the end of August of this year. There is also a possibility that the T. & N. O. Railway will be extended eastward from its present terminus at Cheminis to Rouyn. A road from Macamik lying north of Rouyn on the Transcontinental Railroad has been cut out and graded—and is now being "gravelled" to make a motor truck road. In addition, another road, from the south, has been cut from Angliers to serve the townships west of Rouyn. With good possibilities of mine developments of the townships east and west of the Rouyn area,

"In addition to the gold deposits there are known to be economic deposits of copper north of and south of and apparently not associated with the extension of the two belts of Temiskaming sediments. The copper deposits appear to be related to the intrusions of various stocks of granite which are present in the area. Copper is now known to exist in Desmeloizes township, south of a large mass of granite, and in Dalquier township, east of a granite mass. These two areas with Rouyn, taking the 50 mile line from Rouyn to Amos as a base, constitute an isosceles triangle whose legs are each 60 miles long. This pictures to a slight degree the linear extent of this copper area—and it must be also remembered it extends westward through Boischatel and Montbray townships."

INTERPROVINCIAL TARIFFS?

Moose Jaw Times.—The Financial Post commends Winnipeg for its ambition to become the greatest industrial centre on the northern half of the continent, and says:

"As Winnipeg grows industrially, that power among western newspapers, the Manitoba Free Press, as well as other western organizations, are going to get a closer view of some of the problems of Canadian industry. It will be a factor for goodwill throughout Canada when the West becomes more industrialized."

This is a crack at the Free Press and other western organizations for their opposition to high protection. But it misses the mark for the reason that anything which hinders the development of agriculture, and the basic industries, also hinders the industrial development of Winnipeg. Make the western prairies prosperous and fill our vacant lands with well-to-do farmers and the secondary industries will open up in Winnipeg, Moose Jaw and other natural centres that are progressive enough to provide cheap power and other public utilities. Anyway, if high protection would do the West any good it would have to be protection against the factories of eastern Canada as well as against those of the United States. How would The Financial Post take to a high protection wall erected at Manitoba's eastern boundary?

Heavier Canal Shipments Show Big Freight Movement

Freight traffic on the Welland and St. Lawrence canals was the heaviest handled in any month since these canals were opened. Also despite the late opening in 1926, the total traffic to June 30 was greater than in 1925 by 21,136 tons on the Welland and 62,165 tons on the St. Lawrence canals. The heavy wheat movement amounting to 8,127,570 bushels through the Welland and 8,008,000 bushels through the St. Lawrence was the big factor in this large tonnage. Soft coal showed a decline through both canals and pulpwood also was lighter.

Traffic through the Canadian and United States locks at Sault Ste. Marie aggregated 12,910,113 tons and though this was 1,996,417 tons greater than for June, 1925, it was not a record tonnage. Wheat shipments amounted to 33,936,214 bushels, an increase over June, 1925, of 18,241,589 bushels, but 9,753,644 less than during May, 1926. Iron ore was 441,808 tons and soft coal 803,872 tons heavier than in 1925.

Beet Sugar Factory is Proposal on Coast

Plans for a huge beet sugar industry to be established with headquarters at New Westminster, were laid before the provincial cabinet by representatives of a concern which is prepared to spend about $1,250,000 on the project.

Provided the government agrees to pay a subsidy averaging about $50,000 a year along the lines adopted by Ontario, in building up its sugar beet industry, the company will go ahead with construction of a plant employing 200 men, and vitally affecting the character of agriculture in the province.

W. R. Watson, Vancouver, speaking for the capital interested, said it would come almost entirely from outside the province. The proposal, he explained, involved the incorporation of a $2,000,000 company and the erection of a factory to handle 1,000 tons of beets a day. About 4,000 acres of beet land would be required to keep the factory in operation during one hundred days a year, he said.

A subsidy of one-half cent a pound on all sugar produced up to 10,000,000 pounds was asked. After that the subsidy would be graduated downward until none was paid after the factory produced 15,000,000 pounds.

RAILWAY EARNINGS

Canadian Pacific

Week end.	1926	1925	Change
July 14	$3,525,000	$3,314,000	+$ 211,000

Canadian National

Week end.	1926	1925	Change
July 14	$4,952,030	$4,426,722	+$ 525,308

What! no Ice?

HOW frequently we hear that exclamation! Every few days, in the average home, the ice supply becomes exhausted. It may be the weather was unduly hot—or the ice man may have been rushed too much to attend all his customers—or someone forgot to hang out the ice card—or left the door of the ice-box open. Anyway, the ice was not there when wanted.

Even if the ice supply had not run out, the ice method of refrigeration entails too many inconveniences for a mechanical age—wet trails over the floor—water and mud tracks—the inability to place certain foods along with others—the drip and slime caused by melting ice—the necessity of removing ice and food and scalding the box—the necessity of keeping the ice-box in a cool place to prevent excessive use of ice and the many steps this causes.

Get an Iceomatic

With electrical refrigeration, the supply of "dry cold" is constant. Bacteria do not get a chance to become active. Vegetables are as fresh and crisp as when first taken from the garden. Milk stays sweet and meat keeps indefinitely.

The electric way is the modern way.

Ice-O-Matic is the latest development in electrical refrigeration. The Ice-O-Matic refrigerating unit embodies the results of years of constant development. It has several patented features which make it superior to any other on the market. And it may be used to cool the refrigerator you are now using—easily and quickly. It is guaranteed.

With Ice-O-Matic, clean, clear cubes of ice are always ready, and more can be made quickly. Frozen desserts can be prepared any time.

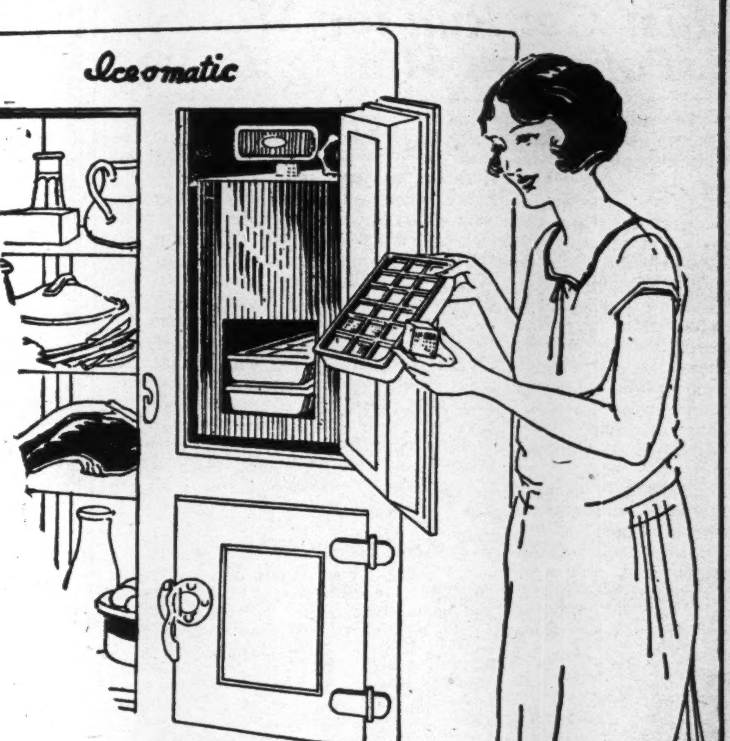
One reason Ice-O-Matic is better is—ALCOID—The Safe Refrigerant. Ask for "Cold Facts" about it.

Use It To Cool Your Present Ice-Box

Ice-O-Matic can be installed in your basement or elsewhere out of the way, to cool yout present ice-box; or it may be purchased in self-contained units, complete with cabinet, with different styles to select from — in either wood or steel.

It can be purchased with a small down payment and convenient terms on balance.

Territorial allotments are now being made to responsible Dealers and Distributors. Get in touch with us about your territory. Ask for your copy of "Cold Facts and Figures". Or wire for full information.



$250 f. o. b. Windsor, complete and ready to install in your present ice-box.

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News of the Mines: *A Department for Executives and Investors*

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

New Era of Activity Opening in the Kirkland Lake Camp

One of the Big Questions Before the Producers is to Get Cheaper Power—Kirkland Lake Gold is Centre of Interest at the Present Time

By D. E. CUSHING,
Mining Editor, The Financial Post.

KIRKLAND LAKE.—It is considerable time since there was the same amount of activity in Kirkland Lake as is going on to-day. Many properties that have been idle for a couple of years and some much longer, are again actively exploring, while the operators that have been working steadily are constantly enlarging their scope.

From the standpoint of the producers, the big question of the moment is cheaper power. A drive in this direction has been going on ever since Northern Canada Power took over Ontario Light, Heat and Power. The operators evidently regarded the change in control as offering a favorable opportunity to agitate for cheaper power, and negotiations now going on are expected to get them somewhere. Kirkland Lake power costs per ton are higher than those of Porcupine.

The property to claim the most attention for the moment is Kirkland Lake Gold. It is about to start its mill. The plant is ready to go and will likely do so as soon as the power problem has been solved. This has had to do with devising a means of disposing of its tailings, but it is believed that this may now be solved. Kirkland Lake Gold's underground developments continue very satisfactory on the two deepest levels, 2125 and 2275. The company has not issued any statement on assays obtained on these levels, the reason is said to be that the average values were so high that the figures would be regarded as ridiculous. If this is the case this ore will act as a sweetener for the large bodies of low grade in the upper part of the mine.

Teck-Hughes is awaiting a settlement of the power question before announcing its new mill plans. These are said to be ready and will be proceeded with immediately after they are made public. Pres. Chas. Denison, New York, recently paid a visit to the property.

Tough-Oakes-Burnside is going to deeper levels east of the diabase dyke which has long been a barrier to operations to the east. Manager Stuart has in a measure broken down this barrier, having located 60 to 70-ft. of commercial ore on one level, the 1,100, and to have cut what is thought to be the downward extension of that body on the 1225, and while the latter horizon is being opened up, the incline shaft will be dropped down to 1,350-ft. It is expected that on the deeper horizons the ore shoot may show a greater length.

To the east Queen Lebel, Kirk Gold are working and Lebel Lode recently announced that it would resume work. There have been rumors of deals for a couple of properties in Gull Lake but nothing definite has been announced.

In the heart of the camp, there is considerable interest attached to the work of Kirkland Townsite and Kirkland Hudson Bay, both of which are south of Lake Shore and Wright Hargreaves. It is considerable time since anything was done on the latter, but about a year ago, Anglo-Canadian Explorers, John Taylor's Canadian subsidiary, diamond drilled the Townsite. While no announcement was made when the option was dropped, it is believed that the company thought favorably of the property but decided to concentrate on the Central Manitoba property in which a 49 per cent. interest had been purchased.

The launching of operations on the Macassa which adjoins Kirkland Lake Gold on the east, with the other new operations in the vicinity has focussed attention on other nearby properties and if negotiations now going on result favorably, there may be other operations started. Servais Gold Mines, a mile south, is reported meeting with encouraging results in surface exploration under the direction of T. J. Flynn.

In the eastern part of the camp, Northland Gold Mines is driving ahead and reported meeting with good success. Some encouraging ore has been recently encountered. The Walsh Katrine and Osian are also operating in this section. To the south, Argonaut is going to do more drilling, while Crown Reserve is facing reorganization. Associated Goldfieids is still working on its mill.

Mining Corporation McIntyre and Noranda Lead Mining Markets

Under the leadership of such stocks as McIntyre-Porcupine, Mining Corporation and Noranda, the mining market has given a rather impressive midsummer performance this week and a number of important advances have been recorded. Strong markets for Consolidated Smelters and International Nickel have also been a factor in establishing confidence in the future of Canada's producing mines. It is being generally predicted that the midsummer rise is a forerunner of a strong autumn market if nothing occurs to upset the general stability of the investment situation.

The advance in Noranda has evidently been based upon recent discoveries of additional ore bodies of rich quality which definitely establish the mine as one of the great mining properties of the world. Mining Corporation has been bought on the strength of developments in Northern Manitoba where the Flin Flon has been attracting considerable attention.

While there has been no marked recovery in the market for Dome Mines, the decline appears to have been checked and a certain amount of confidence restored. Opinions conflict as to the position of the company, opinions running the full gamut from extreme pessimism to extreme optimism. The pessimists believe the properties have been worked out and that Red Lake has been over-estimated. The optimists point to the previous performances of Dome and to the recoveries which have always taken place following depressions on bad news. Properties, both old and new, are believed to be better than the present market price of the shares would indicate.

Developing mines of promise have shared in the buying movement, although it has not applied generally to the whole list. Investors are evidently using discrimination and recessions are not uncommon along with the advances.

TO ENLARGE WORK ON GRACE

It has been decided to enlarge the scope of work on the Grace Mine of the Canada Gold Syndicate. In addition to continuing the diamond drilling campaign it has been decided to clean out the old 340-foot shaft with a view toward making a more thorough examination of the underground workings.

SYLVANITE IS LISTED

Sylvanite Gold Mines shares have been added to the unlisted department of the Toronto Exchange. The amount of stock listed is $3,000,000, consisting of shares of $1 par. Incidentally, the capital is being increased by the issue of an additional 300,000 shares, which are going to present shareholders in the ratio of one for each ten now held at $1.25 a share.

Public Must Get Run for Money is B.C. Policy on Mining Issues

VANCOUVER.—In administering the law lately put on the Statute books of British Columbia to give him power to scrutinize new stock flotations, Hon. William Sloan, provincial minister of mines, declares that the test of a flotation is that it must be based on honest intentions. "We do not object to a fairly glowing prospectus," he said, "but we insist that it must have a basis of good faith and also that the proceeds of the sale of stock must be substantially spent on legitimately developing the property —say 65 per cent. Investors must be given a run for their money."

Mr. Sloan is no believer in blue sky legislation on the theory that every man is a crook. British Columbia does not ask a certificate of character for a man before he is allowed to sell stock, Mr. Sloan points out, but the province does require that any mining prospectus drawn up must go to the resident mining engineer of the district concerned for approval. Knowing the property more or less intimately the engineer will be able to tell almost at a glance whether the prospectus proposed is reasonably based on it and whether the property has merit to justify the flotation. If the engineer finds the prospectus contrary to the facts the engineer so reports. In such case, Mr. Sloan institutes further investigation of his own and if his investigation confirms that of the engineer, the promoter is required to make the prospectus conform to the facts. Where promoters refuse to come to time the statute gives the minister power to advertise that the province does not regard the flotation as justified.

Mr. Sloan explains that during the past year he has exercised his power in regard to doubtful flotations on four occasions and with salutary effect. The morning on which the government's advertisements appeared, ten sales offices in Vancouver closed in consequence. Under the conditions now prevailing the practice of most promoters is to go to the resident engineer with their prospectuses in the first place and give their views. Dozens of mining prospectuses have been altered in the past year which the province considered right under the circumstances.

Big Gold Values Shown Result of New B.C. Strike

VANCOUVER.—Considerable interest has been attracted to B. C. Gold Mines on Texada Island, by the report of the recent rich strike. The veins that were opened up some two weeks ago are said to have shown extraordinary values, in some cases the ore running to $10,000 to the ton.

The company is now in course of reorganization under the presidency of Dr. R. E. McKechnie. William Sloan has been supervising the development work and good results have been obtained. During a recent run of the mill approximately $6,000 of amalgam was taken off the plate in six hours. As the ore is free milling, maximum of efficiency is expected, and the percentage of recovery should be very high.

American Capital is Now Flowing to British Columbia

VANCOUVER.—The most significant thing in connection with mining in British Columbia is the fact that Spokane interests are becoming heavily involved in the mining of this province, according to R. P. Clark & Co.'s Market Review. "It is a well known fact that a large amount of money was made in the early days of the Kootenay mining boom. Many of the large buildings in Spokane were built out of the profits made from these mines, so that the present activity of the same interests is particularly significant.

"The people of British Columbia should take note of these indications and investigate for themselves the possibility of securing these profits for the citizens of British Columbia. Never in the history of mining was there so satisfactory a condition as that which prevails at the present time. The report of the Minister of Mines fully justifies this statement. Many of our companies have become dividend payers and others are approaching the time when they will be placed in this class."

OLD BALDWIN MINE IS TO BE RE-OPENED

New Capital Provided — Property to be Known as Baldwin-Kirkland

S. Christopherson will open the old Baldwin mine at Kenogami Lake, north of Swastika. He has agreed to provide $50,000, at the rate of $5,000 monthly and has an option on the balance of the treasury, involving in all the payment of $400,000. Baldwin was recently reorganized and the new company is to be known as Baldwin-Kirkland. It will be capitalized at $5,000,000 and the old shareholders get one for two old. Mr. Christopherson, an old operator in the north, will have complete charge of the operations and will control the spending of the funds he provides. J. Trevair Williams, an old South African engineer of wide experience, will be placed in charge of the property.

The Baldwin property is well regarded. It has been opened by a shaft down to the 300-ft. level with extensive lateral work on three levels. Three or four short shoots of ore, showing considerable free gold have been encountered, but the work has been too limited to show up any commercial bodies. There are 160 acres in the group and the property is well equipped with buildings and machinery. Two or three engineers have reported favorably on the property.

Dome Earned Less on An Increased Production

Production of Dome mines for the first six months of 1925, according to an official announcement sent out with quarterly dividend check, amounted to 271,600 tons valued at $1,990,472, compared with 263,300 tons in the first six months of 1925 valued at $2,136,966. The total average recovery this year is $7,329 per ton compared with $8,116 per ton in the corresponding period last year.

Operating and general costs this year amount to $4,283 per ton or $1,163,284 compared with $4,239 per ton in the first six months of 1925 valued at $1,116,157. Miscellaneous earnings were $89,492 compared with $88,548. Total earnings amounted to $872,078 compared with $1,045,494 in the first half of 1925, a decrease of $173,416.

PROGRESS AT PREMIER PAYMASTER

TIMMINS. — Work during the past month at Premier Paymaster has consisted largely of preparation for the increased tonnage to be handled when the second unit of the mill, now being installed, is in operation, according to E. H. Walker, of Boston, financial agents of the company.

PORTLAND CANAL FIELD ENJOYING BIG PRODUCTION

B.C. Silver Property Proving Strong Rival of Premier

From Our Own Correspondent.

VANCOUVER. — The winter of 1925-26 was the busiest in the way of development that the Portland Canal mining field has experienced in its seven years of activity since the Premier first broke upon the horizon. The natural sequel to be expected is a season of unusually heavy production and most of the properties appear to be fulfilling that promise. The milling capacity of the Premier has been doubled and 350 tons of ore are being handled daily.

Present indications are that the Premier will have a strong rival in ore production in the B.C. Silver property. The best of engineering, mining and metallurgical skill has been secured for the Big Missouri and important results are anticipated. The ore bodies there have been proved extremely large.

Dunwell will probably have a mill in operation this summer and is now definitely among the Portland Canal shippers.

Porter-Idaho is packing ore down to the beach at $50 a ton, but is reported to be making money. The property is being steadily developed.

Surface assays on the Silverado property are very encouraging and a crosscut tunnel is being bored to connect with a rich vein revealed last summer.

A mill is being projected on the L. & L. property on Glacier Creek and the Albany and Emperor, on nearby locations, are showing up nicely. Four hundred feet of underground workings have been opened up on the Gloria group of claims.

The Silver Crest mine in the upper Salmon Valley is reported to be giving good results, a number of high-grade veins having been opened up.

Ore Mountain has not given any recent report, but development work is progressing there without interruption. The same condition applies to the Independence, on Goose Creek, where a machine drill is being operated.

Gold Hill Mining Shares Being Paid Off in Full

Shareholders of the Gold Hill Mining Co., which was succeeded by Gold Hill Mines, Ltd., have received the third payment on that portion of their shares sold to the interests now financing the property. This payment was not due until Sept. 30, but was actually made on July 4 to A. J. Young, liquidator for the old company, by the new interests in control of the property since the first of the year. The payment is at the rate of $7 per 1,000 shares and represents about 30 cents per share for 36.3 per cent. of the stock of the old shareholders. For the remainder of their shares they received share for share in the new company. At the company's property in Boston Creek the 700-foot level was reached some days ago, and cross-cutting is now proceeding toward the vein. The vein was encountered at the level above 36 feet north of the shaft.

DRILLING AT KIRKLAND TOWNSITE

A campaign of diamond drilling is at present under way at the Kirkland Townsite Gold Mines, Ltd. Shaft-sinking was stopped at the 550-ft. level and further operations will depend largely on the results shown by the diamond drilling.

Don Rouyn Discoveries
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News of the Mines

MINING IS NOW BEING PLACED ON INVESTMENT BASIS

Survey of Noranda by Greenshields & Co. is Very Significant

Nothing could better indicate the solid basis upon which Canadian mineral development is now being founded than the interest being taken in the financing of the producing properties by leading investment houses, many of which, a few years ago, would have looked askance at any proposal of being associated with mining promotion. A study of Noranda mines, which company, because of its ownersship of the Horne, is playing an important part in the development of the mineral areas of Northern Quebec, has recently been issued by the investment house of Greenshields & Co. From this survey the following are quotations:

Noranda Mines, Limited, is an exploration company succeeding a private syndicate which was formed in 1921 by S. C. Thomson and H. W. Chadbourne, the present managing directors, for the purpose of prospecting and exploring the mineral wealth of Canada and developing and financing the Kirkland Lake district during the year 1921. These operations extended eastward until they reached the Rouyn district where the now famous Horne Mine is located.

The syndicate secured, in 1922, options on certain claims that had been staked by E. H. Horne, a well-known prospector of Haileybury, and thus became the pioneers of the district. As a matter of interest, it may be mentioned that it was not until the spring of the present year that the options were actually exercised and E. H. Horne and associates were paid $250,000 in cash and 125,000 shares of the capital stock of the Noranda Company. This property is at the present time Noranda's principal stockholding.

The company, besides owing the entire capital stock of the Horne Copper Corporation (operating the Horne Mine and Smelter), has the following subsidiaries: Adsit Mining Corporation, owning claims adjoining Horne at Rouyn. Quebec Smelters, Limited, owning claims adjoining Horne at Rouyn. Eastward Mines, Limited, owning claims in Gauthier Township, Ontario. Plata Mines, Limited, owning a promising silver prospect in Gowganda. Active work on proving up the property has already commenced. Anglo-Porcupine Gold Mines, Limited, owning claims in the Porcupine district.

In addition to these subsidiaries, the company also holds extensive mining claims in both Quebec and Ontario, and a 75-year water power lease on the Ottawa River, capable of developing a minimum of 40,000 h.p.

The present authorized capital stock of the Noranda Mines, Limited, is 2,000,000 shares, no par value, of which 1,749,400 are issued.

In line with the company's policy of financing its subsidiaries separately, arrangements have been made with the Hollinger Gold Mines, Limited, to purchase an issue of $3,000,000 10-year 7 per cent. sinking fund redeemable gold bonds of the Horne Copper Corporation secured by a deed of trust and mortgage on the Horne Mine and plant. Thirty thousand fully paid shares of Noranda Company will be received by the Hollinger Company as the consideration for this undertaking.

Besides the assurance of Hollinger's co-operation a favorable aspect of this arrangement is that the borrower has the privilege of selling bonds only as and when the funds are required.

The principal efforts of the management during the past year, in addition to maintaining an active exploration force, have been devoted to the Horne Mine, where underground exploration and development work is progressing concurrently with the building of the town and the smelter.

The value of ore that has been disclosed, partially developed or indicated to the 206 ft. level inclusive, is $20,329,000. Estimating in about the same proportion, there may be over $36,000,000 to the 306 ft. level as it has already been said more development is being done at that level than has been done so far at the other two. The work of measuring up new ore bodies is now proceeding and it is possible that the results, when published, will show the foregoing figures to be conservative. The report is scheduled to be issued this fall. Further development at the two upper levels is also likely to disclose additional ore. To follow out an estimate on the showing of the average at the 1st and 2nd levels in relation to the diamond drilling which have reached a depth of 740 ft., there is here an indication of a possible $75,000,000 to this reasonable depth.

MINING STOCK QUOTATIONS

Week Ending July 20

	High for wk.	Low for wk.	Close July 20	Close July 13	Sales for wk.
Area	28	24	28	24	3500
Argo. Cons.	19¾	18½	19¾	19	25250
Algonquin	7¼	4½	4⅝	7	71900
Amulet	1.34	1.27	1.30	1.32	98705
Atlas	2⅝	2⅝	2⅝	2¾	1000
Baldwin	3¼	2¾	3⅛	2½	71000
Barry Hol.	47	46	47	47	36800
Beaver	82½	80	81	82	65800
Bidgood	5	4⅞	5	4⅞	1500
Boston Creek	3	2¾	2¾	2½	2000
Bourlamaque	10.15	10.00	10.15	10.10	2450
Buckingham	3	2⅝	3	3	1000
Chaput Hughes	8⅛	7	7	6½	39900
Can. Lorrain	92	87	90	92	40395
Capitol	42	37½	41	37	33250
Castle Tre.	1.56	1.49	1.53	1.53	70310
Clifton	1¾	1¾	1¾	1⅞	6000
Coniagas	3.90	3.70	3.75	3.60	1605
Coniarum	3.32	3.25	3.30	3.40	320
Col. Kirkland	3	2¾	2¾	3	19700
Cons. Smelt.	220¾	212	219	211	14204
C. W. Dome	15½	15	15¼	15¼	68460
Crown Res.	12½	10¼	10¼	13	32900
Davidson C.	2	2	2	2	1500
Dome Mines	11.40	10.65	10.90	10.90	14795
Everett	7½	7	7	7½	17300
Goldale	26½	24	26½	26½	15000
Gold Reef	1½	1½	1½	2	1000
Gold Hill	68	57	65	59	152904
Hill Top	31¾	30	30	..	35700
Hollinger	19.75	19.50	19.75	19.70	1860
Gladstone	40	40	40	41	100
Indian	5½	5½	5½	5½	6500
Kirk. Hunt.	15	9	14	9½	42600
Int. Nick. com.	40¼	37	38½	36¾	6305
Keeley	1.74	1.55	1.72	1.60	40400
Keora	13	7¼	10	8	254550
Kirk. Lake	1.03	.97	1.00	1.03	77250
Lakeside	3½	3	3¼	4	27500
Lake Shore	11.60	11.38	11.60	11.35	3955
La Rose	11¾	10	11	10	10000
Lorrain	4½	3¼	3¾	3¾	45800
Laval, Que.	25	24	24	25	15600
McKinley	15	12½	15	14½	14100
McIntyre	26.10	24.75	26.00	24.85	6622
Millcrest	10	9	9	10	7500
Min. Corp.	4.07	3.50	4.02	3.47	13846
Noranda	17.60	16.00	17.00	16.40	55949
Nipissing	5.60	5.40	5.60	5.45	4495
Night Hawk	8	7	7½	6	15500
Pioneer	69	69	69	69	1700
Peter. Lake	5¼	4	5¼	4¼	73950
Porc. Crown	5½	5½	5½	5⅛	1500
Prem. Gold.	2.12	2.08	2.11	2.10	5425
Preston	7	5¼	5¼	6½	10000
Teck Hughes	3.94	3.70	3.90	3.87	65210
Stadacona	42½	41¼	42½	41¾	32350
Tough Oakes	40	38⅛	38½	40	37600
Vic. Silver	5	5	5	5	6000
Vipond Cons.	1.80	1.72	1.80	1.74	33283
Wakenda	2½	2½	2½	2	2500
Wigwam	15	15	15	31	100
West Tree	2¾	2¾	2¾	2½	1000
Wettlaufer	6	5½	6	6	5000
Wright Har.	8.50	8.45	8.48	8.40	2250
Don Rouyn	31¾	31½	31¾	31	2900
Rouyn	3	2½	3	2⅝	28000
Rouyn, Que.	2	2	2	1⅞	1000
Dupuy	42	37½	39	42	23000

Kirkland Lake Camp is Increasing Production Rapidly

The preliminary statement of gold production of Northern Ontario for the first six months of 1926 discloses an interesting situation. Kirkland Lake, which is a comparatively new camp, is making a rapid gain in production, while Pocupine is hardly more than holding its own. During the six months Kirkland Lake gained 30 per cent. and Porcupine mines only 3 per cent. over last year.

Following is a comparison of production without taking into consideration the miscellaneous production:

	1st half 1926	2nd half 1925	Increase
Half Year Production			
Porcupine	$12,342,979	$11,950,025	$392,954
Kirk. Lake	3,413,128	2,628,608	784,520
Total	....$15,756,107	$14,578,633	$1,177,474
Monthly Average	1926	1925	Increase
Porcupine	$2,057,163	$ 1,991,671	$ 65,492
Kirk. Lake	568,855	438,101	130,754
Total	.....$2,626,018	$ 2,429,772	$196,246

Dividends Are Paid By The Baxter Lake Oil Co.

WAINWRIGHT.—Shareholders of the Baxter Lake Oil Co., of Wainwright, a lease holding concern, have approved the directors' recommendation of a 20 per cent. dividend and have since received the checks for this through the mail.

The Baxter Lake Co., which was organized in March, 1921, and has large holdings in the Wainwright field has an authorized capitalization of $50,000 with shares of $1 par value. These are held mostly by Calgary men.

Found Rich Ores In Hudson Bay Country

William Brookbank, a Swastika prospector, after an adventurous 750 mile journey from Cochrane to the Little Whale River which flows into James Bay on about latitude 57, found rich ore deposits including galena, lead, zinc and silver. Mr. Brookbank is the first known prospector who has traveled into the Hudson Bay country in search of lead. Mr. Brookbank and his party staked 24 claims or 960 acres for a North Bay Syndicate, which includes a number of prominent North Bay business men such as Senator George Gordon, John Ferguson, ex-mayor of the town, A. Foster, president of National Grocers' Ltd. and others. The deposits are about 100 miles in extent and run from Manitounch Sound to Hoboken.

Interest in these deposits on the Little Whale River which had been examined by Dr. Low, a Dominion geologist in 1902, and upon which the Hudson Bay Co. had done some work about fifty years ago, was re-awakened when the price of lead and zinc began to climb. Trappers had left specimens of ore from this deposit at a Cochrane shop; these had been lying around for some time, when it was decided to run assays of the ore. On analysis they were found to run 72 per cent. lead, 12 ounces of silver and $3 to zinc and with present prices these surpluses should bring an average of $130 per ton.

When asked as to the possibilities of getting the stuff out, Mr. Brookbank informed The Financial Post that if the T. and N. O. extended its lines to Smoky Falls, where the china clay and coal deposits are, then it would be a comparatively simple matter. It would then be as easy to go via the Mettagami River to Moose Factory on the James Bay and from there in larger boats to Richmond Gulf.

Of course, a smelter and flotation plant would have to be erected at the mines which would entail heavy expenditures. There is plenty of power in the neighborhood; a 250-ft. falls on the Little Whale River and 350-ft. falls at Richmond Gulf are the principal sources.

Mr. Brookbank plans to return to Richmond Gulf as soon as possible with a larger party and better equipment.

Lakeside Lorrain to Work on Surface Developments

The directors of the Lakeside Lorrain Silver Mines at a meeting held to consider the report on their properties submitted by H. P. McDonald, mining engineer, who has for the past several days been employed in making a detailed examination, decided to accept his advice to confine all operations for the time being, to surface exploration in order to exploit specified areas on which favtorable geological conditions occur.

There are several valleys which may prove typical South Lorrain "breaks" which proven properties located in that area, have found favorable to ore conditions. These at present are filled with a varying depth of over-burden which it is planned to thoroughly explore by trenching. Preparations are being made to employ an adequate crew for the carrying out of this work as outlined by Mr. McDonald.

It is also planned to supplement the mining plant already installed on the property with a larger hoist which will enable underground exploration to be carried out to the 400 foot level. This work will be carried out in conjunction with the surface development.

Rouyn-Boischatel Sells Option to U.S. Smelting

An important announcement in connection with the Rouyn-Boischatel Development Co., is that the United States Smelting, Refining and Mining Co. has taken an option on control. The Rouyn-Boischatel Co. owns the Horne Reef group and claims in Boischatel lying between the Alderson-McKay and Amulet, also a group of six claims located in the north-east corner of Boischatel Township adjoining one of the Stadacona group.

DEMAND FOR PREMIER

VANCOUVER.—A much larger demand for these shares is in evidence at the present time than during the past month. It is gradually being realized that the price of this stock is far below its intrinsic value. It would not be surprising therefore to see a considerable improvement, as the floating supply is practically exhausted and only small lots are likely to come on the market. Any considerable demand would be very quickly reflected in the quotations on the different stock exchanges. The yield of 15 per cent. on a stock of this kind does not seem possible to last for any time.

BIG THINGS FOR LAKE SHORE

This week's advance in Lake Shore is evidently based on expectations that a more generous dividend policy commensurate with the earnings of the mine will be adopted shortly. It is expected that the present production of 500 tons a day will be increased before long. The company is in a position to increase its dividend payments substantially. It is not outside the range of probability that Lake Shore will soon be earning 100 per cent. on its outstanding capital.

STRIKE AT MULTIPLEX MINES

CAMBOURNE, B. C. — The development work at the Multiplex mines is proceeding with success. In the intermediate cross tunnel No. 2 the miners broke into the vein and an important strike of high-grade silver-lead-zinc ore was opened up. The clean shipping ore is over six inches wide, carrying a large percentage of grey copper and black sulphides, while the concentrating ore which also carries good values is about 26 inches wide. This strike of high-grade ore is one of three strikes made in three different tunnels on this property during the past six months, and in consequence greatly adds to the shipping tonnage of the mine.

Money Being Spent on Power Up North

MONTREAL.—The various subsidiaries of the Canadian Northern Power Corporation have mapped out a big program of expansion in the mining fields, and in order to report on the progress made J. B. Woodyat, vice-president and managing director of the Power Corporation of Canada, also vice-president of Canada Northern Power and Northern Ontario Light and Power, recently paid a visit to the different power plants concerned and has just returned.

Mr. Woodyat, is speaking of his visit, stated that some idea of the steps that are being taken to provide the mining districts with adequate power might be obtained when he mentioned that the subsidiaries of Canada Northern Power Corporation will expend in the neighborhood of $1,000,000 on capital account this year. This he considered gave a fair idea of what their companies are doing to help build up that wonderfully rich country and keep up with the pace of their present and prospective customers.

He stated that since the new interests, financed by Nesbitt, Thomson & Co., Limited, had taken over Northern Canada Power it had expended about $200,000 on the extension of its lines into the Gowganda district to supply power to the Castle-Tretheway, Capitol and Tonopah mines. The load on this line, he stated, is increasing monthly, and there are other properties which will be ready to take power in the near future.

In addition to this the company, through its subsidiary, the Quinze Power Co., is expending $600,000 in building a line into the Rouyn district to supply Noranda and other mines with power. This line, Mr. Woodyat stated, is about one-third completed, and it is expected that it will be ready for operation by November.

McIntyre's Production Increases and Facilities Still Expanding

Increases in gross production, operating earnings and net earnings for McIntyre-Porcupine Mines, are features of the earnings reports which are now complete for the four quarters of the year. These records have been made while the expansion program is still being carried on. With hoisting capacity increased, the amount of ore handled should also increase with resulting benefits in earnings and profits. Following are figures for the full year with comparisons with the previous year:

Record by Quarters

	1st Quarter Sept. 30, '25	2nd Quarter Dec. 31, '25	3rd Quarter Mar. 31, '26	4th Quarter June 30, '26
Gross recovery	$886,117	$946,688	$972,399	$999,568
Costs, including development	518,793	539,178	537,812	525,538
Operating earnings	$367,324	$407,510	$434,587	$474,030
Non-operating revenue	24,040	24,,972	27,853	27,577
	$391,364	$432,482	$462,441	$501,607
Less provision for taxes	18,754	14,887	18,604	14,267
Net earnings before depreciation	$372,610	$417,595	$443,836	$487,339

Two Years Compared

Comparative figures for the two fiscal years ending June 30th, 1925, and 1926, respectively, are as follows:

	Fiscal Year 1926	Fiscal Year 1925	Increase
Gross recovery	$3,804,774	$3,546,637	$258,137
Costs, including development	2,121,322	1,927,500	193,822
Operating earnings	$1,683,452	$1,619,137	$ 64,314
Non-operating revenues	104,444	95,833	8,611
	$1,787,896	$1,714,970	$ 72,926
Less provision for taxes for period	66,514	96,084	*29,570
Net earnings before depreciation	$1,721,382	$1,618,886	$102,496

*Decrease.

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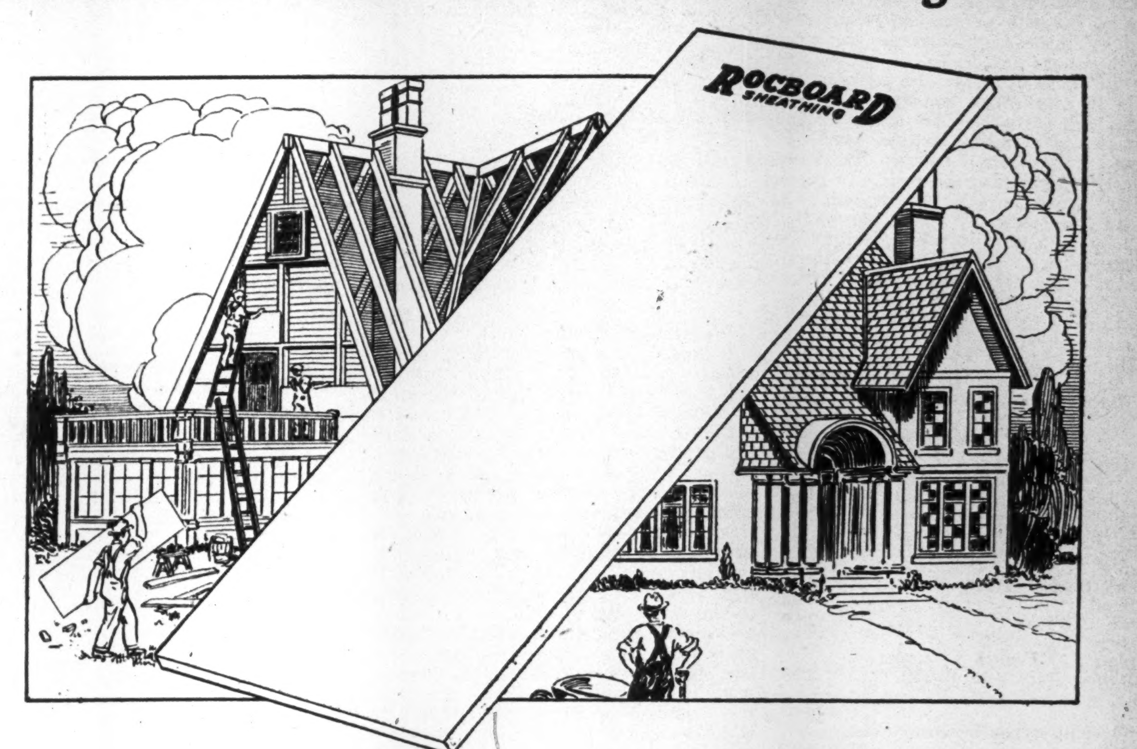

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Pioneering in American Investment Trust Field

Steps Being Taken for the Establishment of Investment Funds Along Lines Long Followed in England

The investment trust which is an established institution in financial circles in England has recently been receiving considerable attention from financiers in the United States and Canada and considerable interest on the part of investors has been aroused. This article on pioneer efforts in the investment trust field in America, which appeared in the Bankers' Magazine, is by Leland Rex Robinson, vice-president, International Securities Trust of America, and a former representative of the United States government in England. Mr. Robinson is a recognized authority on this side of the Atlantic in regard to investment trusts. No one in America is in a better position to deal with this subject from the standpoint of the American investor.—Editor.

For the United States the investment trust is both very old and very new. As a creative force in the upbuilding of American industry, it has exerted an enormous influence, especially in the last two decades of the Nineteenth Century and the first decade of the Twentieth. As a medium of investment for the American public, it is essentially a development of the last five years.

There are still, in London and Edinburgh, a few revered financial leaders whose active experience carries them back to the Seventies and Eighties, when a sturdy young nation, emerging from Civil War chaos, drew heavily upon the accumulated capital of British investors for the rapid expansion of its railways, public utilities, and industrial enterprises. In as true a sense as the empire builders of our great West, these men, too, were pioneers in their way, pioneers, that is, in introducing to their own investing clientele the securities arising from this phenomenal economic activity in the New World. With the passing of these men, whose activities so widely— and on the whole so wisely—extended the horizon of the English and Scottish investor, and whose lives are synonymous with the development of British investment trusts, there is being lost to our country, as well, a generation of foreign financiers intimately informed concerning the financial basis of American business.

It is probably not far from the truth to say that in 1914 fully 90 per cent. of the £75,000,000 to £100,000,000 capital of Great Britain's public investment trusts was invested in overseas holdings, and that to the outbreak of the war nearly half of this amount represented the purchase of corporate and governmental bonds, mortgages, and shares originating in the United States. When it is borne in mind that on the average the capital of British investment trusts is probably completely turned over in the process of reinvestment, every three to six years, the reader can readily visualize the importance of these institutions during the last half-century in popularizing American securities in London and in providing credit for American enterprise.

What British investment trusts have thus done in opening up new investment channels, foreign and domestic, for the enormous funds created by international trade and pre-war business expansion, is only typical of developments on a smaller scale in any other country. In Belgium, for instance, the place of the British investment trusts, and of those numerous London financing concerns combining issuing and managing, with purely investment, activities, is taken by the great banks, and by institutions which might be referred to as "financing investment trusts." The Overseas Bank of Brusses, for instance (Banque d'Outremer), reveals the following distribution of risk among the securities held in its portfolio in 1924.

Banque D'Outremer (Brussels)
Distribution of Risk in Portfolio
(Common Shares)
By countries

	Per cent. of total portfolio
Belgium	54.27
Belgian Congo	15.48
China	5.43
France	3.22
Grand Duchy of Luxembourg	10.40
Holland	4.84
Dutch Colonies	1.90
Portugese Colonies	1.48
England, French Colonies, Greece, Italy, and Russia	2.98
	100.00

By types of enterprise

	Per cent. of total portfolio
Banks and financial institutions	14.84
Trading companies	8.05
Maritime and river transport	6.16
Railways	7.53
Tramways	4.57
Collieries	6.91
Mines	1.53
Petroleum	2.22
Construction industries	1.70
Coke	3.18
Metallurgical enterprises	12.14
Electrical power	7.32
Construction workshops	10.57
Wireless telegraphy and telephony, textile manufactories and sugar refineries	8.69
Colonial plantations	4.05
Miscellaneous and insurance	0.54
	100.00

In Europe Too

Among other Belgian institutions not doing a general banking business, but concentrating their activities in acquiring securities, at home and abroad, and building up equities, to be retained, or disposed of at a profit, might be cited such financing investment trusts as the "Societe Financiere de Transports et d'Entreprises Industrielles" (Financial Society for Transportation and Industrial Enterprises), the "Societe Generale Belge d'Enterprises Electriques" (The General Belgian Society for Electrical Enterprises), and the "Societe Generale de Chemins de Fer Economiques" (General Society for Electrical Tramways).

Comparable with the latter are the French "Societe Centrale pour l'Industrie Electrique" (Central Association for the Electrical Industry), and the "Societe Generale d'Enterprises" (General Society for Enterprise), both associated with the above mentioned Belgian "Societe Financiere." In Switzerland also—frequently with the backing of German interests—financing companies and "financing investment trusts" have assumed great importance, and many are the institutions developed by this thrifty little country in mobilizing and exporting her capital. Among them may be noted several whose interests have been more particularly in the United States and Canada—such as the "Societe Financiere pour Entreprises Electriques aux Etats Unis" (Financial Society for Electrical Enterprises in the United States), which has had a number of resident directors in New York and has been interested in the American and Foreign Power Company, and the Pacific Gas and Electric Company. Further illustration is afforded by the "Societe Financiere Suisse Americaine" (Swiss American Financial Society). The distribution of investments of this company as of December 31, 1923, is shown in the accompanying table.

In view of the substantial support thus given to American enterprises from Europe in the pre-war decades when the United States was still a borrowing country, is seems not only natural, but indeed inevitable that the assumption of a world creditor position should be accompanied by the development among us of somewhat similar investment trusts and financing companies, interested in foreign, quite as much as domestic, securities. Just as there have long stood, between the British investor and the issuing overseas governments and corporations, these co-operative investment agencies, offering skilful management and broad distribution of risk, so in the future it seems probable that the investment trust principle will be increasingly applied in facilitating and wisely directing the export of American capital. This is exactly what is happening to-day.

Societe Financiere Suisse Americaine
Distribution of Investments by Type of Security

	Per cent. proportion of portfolio
Industrial and other bonds	56.95
Railway bonds	14.65
Government obligation	10.80
Preferred stock	6.45
Common stock	11.15
	100.00

Geographical Distribution of Investments

	Per cent. proportion of portfolio
North America	35.95
Mexico	1.95
Argentine Republic	6.15
Switzerland	3.95
Other	52.00
	100.00

Investment Trusts in the U. S.

It would be a mistake, however, to assume that the only significance of the investment trust lies in the field of foreign investments. The creation of investment trusts in the United States comes in answer to fundamental needs transcending such factors as distance, varying economic and financial systems, and political barriers. In part it results from the growing complexity and variety of publicly offered securities, domestic and foreign—a circumstance adding to the difficulty of efficiently placing and distributing one's capital as much as it increases investment opportunities for those possessed of unusual wisdom or good fortune. In part, the creation of investment trusts is the logical consequence of a vast expansion, during the last ten years, in the ranks of American investors. It has been estimated that, of the twenty million or more people in our country who purchased Liberty Bonds, some four or five million at least have continued to develop investing habits. War readjustments in the national wealth have made this possible. Maintenance and development of the present business and financial structure have rendered it essential. The general diffusion of knowledge, however, cannot possibly keep pace with this broadening of the typical investor's horizon and this democratic multiplication in his ranks.

It this connection, it is none the less encouraging to note the greater care with which individual investors are studying their own investment problems and the conscientious service an increasing number of banking houses are endeavoring to render the public. The recent report of the National Association of Credit Men to the effect that credit executives tend to be more interested in published facts and basic data than in private opinions of market trends aired by business men is thoroughly typical of the more objective thinking which characterizes the present day.

To a very much greater extent than before the war, for instance, the banker's advice is sought on investment problems and the investment service equipment which larger banks throughout the country are rapidly developing, is at once a tribute to public sanity and a proof of the banking fraternity's recognition of its responsibilities to the community. While, unfortunately, the "herd instinct" seems as strong as ever among stock exchange speculators, it is significant that brokerage and investment banking houses are outbidding each other in offering, so to speak, a "tailor made" investment service to their clients, taking into consideration almost every pertinent concern of the customer—his age, income, dependents, insurance, tax position, present holdings, commitments, plans for the future, and so on.

Leland Rex Robinson
Vice-president American Founders Trust and International Securities Corporation of America

In all this, however, is to be found only an added reason for the development of American investment trusts. It is indeed a mistake to assume that these institutions are essentially a foreign importation, grafted on to the main stock of American financial organization. On the contrary, if regarded as a logical, and in many cases the most complete possible expression of the principles of investment service gaining such headway in the United States to-day, the investment trust may be considered an indigenous plant growing in the native soil of American need.

Among the distinctions between the investment trust and the financing company may be noted the following:

(1) The degree of diversification in the investment.—The investment trust, as a rule, invests and reinvests its capital in a wide variety of securities, distributing risk over many industries, countries, and types of issue. The financing company, on the other hand, does not generally aim to diversify purely fo1 the sake of diversification. It acquires interests (usually in common shares) in certain enterprises which it assumes will prove highly profitable. Often a considerable number of enterprises will be represented in its holdings, and where a degree of distribution of risk is attained, the term "financing investment trust" might rightly apply.

(2) The nature of the interest taken in enterprises whose securities are held.—As indicated above, the point of view of the investment trust is purely that of an investor, and its holdings are too widely distributed and too limited in each issue to give it any directive or managerial responsibilities or interests. The financing company, on the other hand, often acquires a majority or a substantial minority interest; becomes more or less closely associated with the management of particular business undertakings; and links its own financial success with the wise direction, or otherwise, of its group of associated companies.

(3) Nature of the earnings.—The financing company, in addition to drawing dividends from associated enterprises, aims to realize profits by building up the latter and ultimately disposing of part or all of its holdings at the enhanced price that increasing earnings permit. Issuing and underwriting profits are commonly enjoyed, while, of course, borrowing power is frequently exercised for the purpose of increasing net earnings.

The investment trust does not enter the issuing field, and, if it engages in underwriting at all, generally does so only in connection with issues eligible for its own portfolio and for quantities it could, if need be, purchase outright and hold for investment. Its normal income results from investment yield on its widely diversified holdings, and from such profits as are realized in the process of reinvesting its capital. Enhancement in the earning power of investment trust shares commonly result; in other words, from (a) a higher average yield than can be safely obtained without a volume of capital permitting considerable spreading of risk; (b) the reinvestment of borrowed funds at higher return than the cost of these funds to the borrowing investment trust; and (c) the balance of capital gains (generally used to strengthen reserves) which a well-conducted trust should show as the outcome of its managerial alertness.

Visitors to Vancouver Invest in Real Estate

Recently a motor tourist from Eastern Washington arrived in Vancouver, went to a well-known real estate firm and asked to be shown about the business district. After two hours' inspection he informed his guide that he had been impressed with what he saw and on his return home would have a talk with a wealthy friend. Three days later that friend reached Vancouver, and he is now planning to invest approximately $500,000 in Greater Vancouver real estate and buildings.

Other dealers report similar occurrences. Many tourists, after a visit, return within a few months, purchase homes and settle here. This is in part the reason that approximately 1,500 dwellings are at present in the course of construction in Greater Vancouver.

SIMPSON FOR PORCUPINE KIRKLAND

W. G. Simpson, has recently been appointed consulting engineer for the Porcupine-Kirkland Gold Mines Ltd. Mr. Simpson, will shortly leave for the mine where he will take charge of the diamond drilling and follow up the recommendations which Mr. Huntoun made to Porcupine-Kirkland.

DOUGLAS WRIGHT THINKS RED LAKE WAS OVER-BOOMED

Reaction Now Seen in the Paucity of Development Work

Douglas G. H. Wright, general manager of Howey Gold Mines, contributes an article to Engineering and Mining Journal, New York, in which he expresses optimism as to the whole new Patricia gold country. The Dome executive sees the Red Lake field and contiguous regions as most promising but he is astonished at the small number of prospectors in the district, and the paucity of development work, a condition remarked upon by all clear eyed observers, who see a few companies bearing the whole burden of opening up the district. Dr. Wright does not mince his words when he refers to the "gratuitous super-advertising" given Red Lake by the daily press. Is Red Lake, he asks, to go through the vicissitudes of booming, for undoubtedly it has been boomed with the sky the limit. He writes:

"The Howey discovery as opened up is the most promising gold discovery made in Ontario or Quebec during the last thirteen years, and this summer it is to be thoroughly tested.

"Considering the attractiveness of the area geologically, its accessibility, and climate, power and other undeveloped resources, there is an astonishing small number of prospectors in this general gold belt. Under the Ontario Mining Act one is allowed to hold a claim staked last fall in Red Lake until September, 1927, with only the performance of thirty days' assessment work, and when this takes the form of a land survey of the claims nothing is done to prove or disprove the mineral possibilities of the country. Under these conditions, and bolstered by exaggerated reports of the discoveries to date, large tracts are staked and held pending a possible development by legitimate mining interests in the area. For this reason it is quite possible that there may be attractive outcrops on claims now staked concerning which the owners know nothing, for only approximately one-tenth of the 3,000-odd claims were not what is commonly termed "snow stakings."

"Red Lake has been heralded as El Dorado found again, and the daily press has gratuitously super-advertised the area until one might almost expect the myth of the philosopher's stone fulfilled. Such a situation is far from the facts. Mining experience in Canada leads to the conclusion that development by booms has been the curse of the industry. Rice Lake, Central Manitoba, discovered and boomed in 1912, is in 1926 starting to respond to intelligent development; Gowganda, discovered and boomed in 1908, has apparently just come into its own; Rouyn, Quebec, boomed in 1921, is now proving up under development; Kirkland Lake, Ontario's second most important gold-producing area, was discovered and boomed in 1912, but only in the last four or five years has its importance been appreciated; and so one might continue listing camp after camp that has had to go through the vicissitudes of "booming." Is Red Lake due to suffer in the same way, for undoubtedly it has been boomed, with the sky the limit?

"The area warrants prospecting, for in looking it over one cannot help be impressed by the geological setting and the number of places where gold values are obtainable. Witht suc ha wide distribution of gold there should be some deposits of commercial value, and it will require skilled, diligent, and painstaking prospecting to locate properties worth the expenditure required to make a producing gold mine in this newly discovered gold-bearing area."

Ontario Gold Output Was Lower in June

According to returns received by the Ontario Department of Mines from the gold mines of Ontario for June, there were, as compared with May, slight decreases both in tonnage milled and value of crude bullion marketed. These figures are subject to revision due to the fact that the largest producer reports its production on a four-week basis, and estimates are necessary in order to adjust the statistics to the calendar month period, the four-week period ended on June 17 necessitating an estimate of 13 days' production. The table which follows is self-explanatory:

Output of Ontario Gold Mines, 1925 and 1926

Source and Period:	Ore Milled, Tons.	*Ttl. Value Crude Bullion
Porcupine—		
Calendar year 1925	3,016,178	$24,886,615
January, 1926	269,325	1,946,563
February, 1926	242,510	1,980,919
March, 1926	268,545	2,353,829
April, 1926	260,064	2,169,921
May, 1926	261,722	1,919,585
June, 1926	259,900	1,972,162
Kirkland Lake—		
Calendar year 1925	383,235	5,403,289
January, 1926	34,167	575,128
February, 1926	33,717	506,739
March, 1926	39,927	513,617
April, 1926	41,197	617,184
May, 1926	42,399	635,365
June, 1926	41,745	565,095
Miscellaneous—		
Calendar year 1925	131	5,641
April, 1926	100	696
May, 1926	415	1,884
June, 1926	...	603
Total for calendar year 1925	3,399,544	30,295,545
Total for Jan., 1926	303,492	2,521,691
Total for Feb., 1926	276,228	2,487,658
Total for Mar., 1926	308,472	2,867,446
Total for Apr., 1926	301,361	2,787,711
Total for May, 1926	304,536	2,556,784
Total for June, 1926	301,645	2,537,860

*This total includes the silver contained in the crude gold bullion marketed. For 1925 the value of silver was $172,430, or an average of $14,369 per month.

During June producing mines, in order of output, were as follows:

Porcupine (7)—Hollinger, McIntyre, Dome, Vipond, West Dome Lake, Paymaster and Night Hawk Peninsular clean up.

Kirkland Lake (5)—Lake Shore, Wright-Hargreaves, Teck-Hughes, Tough-Oakes-Burnside and Argonaut.

DRILLING IN BEARDMORE

F. S. Sutherland, manager of the Beardmore Syndicate, states that a diamond drilling contract has been let for drilling on the Powers claims in the Beardmore district of the Port Arthur Mining division 120 miles east of Port Arthur on the Canadian National Railway.

Porcupine-Keora Has Now Been Reorganized

Reorganization of the Porcupine Keora Mining Co. has been completed, and within the next few days a letter will go forward to the shareholders with instructions as to the exchange of their Porcupine Keora shares for shares in the new Keora Mines, Ltd. The new company, Keora Mines, Ltd., has completed financing arrangements of a very satisfactory and substantial nature, and immediate development of the underground ore bodies at the company's silver mine in Gowganda is to be proceeded with.

Horace F. Strong, the well-known mining engineer and geologist, is being engaged by the company, and application has been made to list the new Keora shares on the standard stock and mining exchange.

New Area on Manitoba Boundary is Staked

All the territory between Kangaroo Lake, the heart of the latest gold camp in the mid-continent field, and the Rickaby Lake mine field has been completely staked, according to Capt. N. Evans-Atkinson. The new field lies only about ten miles east of the Manitoba-Ontario boundary. Many prospectors have been over the ground, resulting in the whole country being blanketed, even the islands on the lakes, and already substantial camps of men are at work on preliminary development work. Among those in the new area are H. N. Darling, representing the Toronto Dingman interests, and Major R. M. Treloar, representing the Anglo-Canadian Explorers, Ltd. Mr. Montagu, well-known mining geologist, is also inspecting the area, and an Ontario government geological survey party is already on the ground.

Capt. Evans-Atkinson is going back to his claims in a few days' time, taking with him more men and an experienced assayer trained at Heidelberg University. His summer camp will be made up of six men and himself. He says that present knowledge justifies further development.

Among the prospectors and syndicates now at work in the western end of the new field are the Victoria, Mond Nickel, Campbell Bros., Murray Olman syndicate, Reahil syndicate, H. R. Adams, well known in South African mining circles, the Dingman interests, John Taylor & Sons, and Percy Hutchinson, who heads a strong Winnipeg syndicate.

Capt. Evan-Atkinson states that horses are being put on at both the long portages on the Bird River.

.TIMMINS ON NORTHERN POWER BOARD

MONTREAL.—Announcement is made by A. J. Nesbitt, president of the Canada Northern Power Corporation, that N. A. Timmins, president of Hollinger Consolidated Gold, is joining the board of directors of the Power Corporation. This step is one of exceptional interest both in the power and the mining situations of Northern Ontario and Quebec.

Mr. Timmins, who is also a director of the Power Corporation of Canada, Ltd., has as fellow-directors of Northern Canada Power the following: A. J. Nesbitt, Major-General S. C. Mewburn, Dan McLachlin, F. C. Blackwell, J. H. Black, P. A. Thomson, and J. B. Woodyatt.

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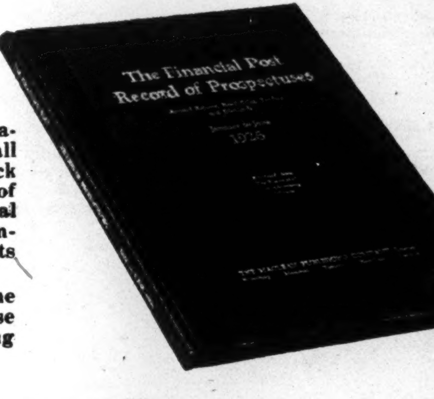

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